

Japan's in 1.5%

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GENERAL INDEX
Prague tests investors' faith
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Weekend



The last man in Europe to wield raw worker power

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New York fashion: women as fireworks, birds, schoolkids, ... and teapots

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FINANCIAL TIMES
FEBRUARY 20 / FEBRUARY 21 1999

Weekend



And one live snake - and simmer. There is no need to stir

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Travel



Bedlights? They're in. ALL massacres. Separate sections

RUBIN WILL TELL G7 MEETING AMERICA CANNOT REMAIN 'IMPORTER OF FIRST RESORT' ● GERMAN ECONOMY SHRINKS BY 0.4%

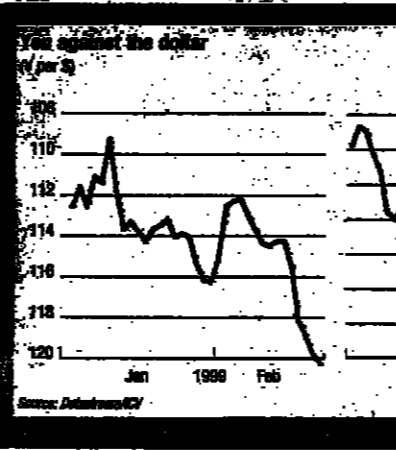
US steps up pressure on euro-zone

By Alan Beattie and Robert Choh in London

The US will step up its pressure for more expansionary economic policies in the euro-zone at a meeting of leading finance ministers and central bank chiefs in Bonn today, after official figures published yesterday showed the German economy was shrinking at its fastest rate for six years.



Central bank chiefs Alan Greenspan, of the US Federal Reserve, the ECB's Wim Duisenberg and Masaru Hayami of the Bank of Japan: the US wants Europe and Japan to boost domestic spending



Germany's economy is not sensitive to short-term interest rate changes and the ECB may well follow suit, said Alison Cottrell, chief international economist at Paine Webber in London.

Robert Rubin, the US Treasury secretary, will tell his counterparts from the Group of Seven leading industrial nations that the US cannot continue as the world's "importer of first resort".



Western embassies and UN offices were taking no chances, however, and began evacuating staff and dependents from Kosovo and Belgrade. The Yugoslav army ordered air defence reservists to report to their posts.

Milosevic turns down Kosovo peace move

By Guy Diamond in Belgrade and David Buchan in Rambouillet

Slobodan Milosevic, the Yugoslav president, yesterday spurned last-ditch attempts to forge a Kosovo peace agreement before the deadline of noon today.

Olivetti on verge of \$60bn bid for Telecom Italia

By James Burt in Rome

Olivetti, the Italian telecommunications group, is tomorrow set to launch a \$60bn tender offer to take control of Telecom Italia, the telecommunications giant, in the largest takeover bid in Italy's corporate history.

The four banks understood to be financing the \$60bn loan are Chase Manhattan, Donaldson Lufkin & Jenrette, Mediobanca and Lehman Brothers.

TI is run by a small nucleus of strategic shareholders that owns 6.96 per cent of the stock. The Italian Treasury has a "golden" share of 3.4 per cent but is expected next week to announce the name of an investment bank that will advise on the sale.

There were suggestions last night that ministers would view an Olivetti bid favourably as a means of avoiding a takeover from outside Italy.

Mr Hill delivered his message to Zivadin Jovanovic, the Yugoslav foreign minister. He warned Belgrade that the peace plan giving broad autonomy to Kosovo and its ethnic Albanian majority for an interim three-year period had to include a Nato peacekeeping force. "It's all or nothing," a US diplomat said.

News General

Japanese groups may sue

Some of Japan's largest life assurance companies are considering suing the ministry of finance. They accuse it of concealing the scale of bad loans at the Nippon Credit Bank when it pressed them to inject ¥97bn (\$838m) into the bank in 1997. Page 3

China learns to live with violent crime

Trucks which left collaterals around Dandong in northern China were held up by robbers who killed one man and made off with about RMB100,000 (\$12,000). In the same province, two children were held to ransom and then murdered. Violent crime is on the increase in China, with its slowing economy and rising unemployment. Page 4

Investigators target Russia's biggest car maker

Avtovaz, Russia's country's biggest carmaker, has become the target of a criminal investigation by the country's chief prosecutor as the government steps up its war against corruption. Page 2

Spain blames Gibraltar tax evasion for revenue loss

Spain alleges it is losing Pta1,500bn (€bn; £36bn) a year from tax evasion through the British colony of Gibraltar, already the focus of tension since a fishing dispute flared last month. Page 2

Man in the news

Abdullah Ocalan
A 38-year-old man who has succeeded in bringing the plight of the Kurds to the attention of the world.
But for how long?
Page 7

Table with financial data including company names, shares, and prices.

News Business

NEC to axe 15,000 jobs

NEC, Japan's largest chipmaker, is to axe 15,000 jobs over the next three years after reporting its biggest loss. NEC president Hisashi Kaneko, who has been with the group for 43 years, will resign next month to take responsibility for annual group losses of ¥150bn (\$1.25bn). Page 24

Deutsche Telekom takes control of max.mobil

Deutsche Telekom is understood to have paid more than \$1bn for a controlling stake in Austria's max.mobil, one of Europe's fastest growing mobile telephone operators. Deutsche Telekom, which took a 25 per cent stake when max.mobil was founded in 1996, raised its holding to 71 per cent. Page 24

Europe's bourses finish the week on a mixed note

European shares were mixed yesterday although the FTSE Eurotop 300 gained 5.95 to 1,204.5. A weaker euro was helpful but investors showed concern about economic growth, after fourth-quarter German gross domestic product fell 0.4 per cent and French industrial production dropped 1.8 per cent in December. The Frankfurt market slipped 1 per cent but technical factors, as Paribas dropped out of the CAC index, helped Paris gain 2.3 per cent. Page 21; Bonds, Page 6; Currencies, Page 8; London stocks, Page 17; Weekend FT Pages XX, XXI

Oil wealth fuels Niger Delta resentments

Four years after the execution of Nigerian writer Kan Saro Wiwa, who campaigned for the rights of the Niger delta's Ogoni people, the region is again close to open rebellion against the federal government. Oil wealth is at the root of the tensions and foreign oil companies are already in the line of fire. Page 7

UBS to sell stake in Switzerland's biggest life group

UBS, Europe's biggest bank, is selling its 25 per cent stake in Swiss Life, Switzerland's biggest life insurer. The sale is expected to result in a net profit of up to SF1.4bn. Page 24

FT.co.uk - the FT web site provides updated news and an online archive of back articles at http://www.ft.com

Table of Contents listing various sections and page numbers.

Unconditional Recommended Cash Offers by Lazard Brothers & Co., Limited on behalf of S.C.R.-Sibelco S.A. to acquire Ordinary Shares of 25p each and Preference Shares of £1 each in Watts, Blake, Bearne and Company, P.L.C.

GROUP OF SEVEN MEETING OF FINANCE MINISTERS AND CENTRAL BANKERS WILL HEAR WHETHER US WILL ALLOW YEN TO FALL

RELIEF FOR HIGHLY INDEBTED COUNTRIES

Tokyo looks to a weaker yen as talk grows of easy money

By Gillian Tett in Tokyo

Tokyo, Yen weaker than the previous day, after senior officials warned that yen weakness was a "natural" consequence of the current monetary expansion. Last month it strengthened to Y108 against the dollar, after official endorsement of a stronger yen.

News reports in Tokyo yesterday suggested the G7 would call for a weak yen to boost Japan's economy. However, Kijichi Miyazawa, finance minister, insisted that he had not heard of such plans and said any statement of this kind would be unprecedented.

Some Japanese officials suspect that US pressure on Japan in the coming weeks will focus on monetary policy. US officials have suggested Japan should consider radical methods to encourage inflation.

Investors to remove several thousands of billions of yen of liquidity from the money markets. Total turnover in the Tokyo money market on Thursday, for example, was around ¥30,000bn, compared with more than ¥32,000bn at the start of the week.

As a result, some government officials believe the Bank needs to implement more radical measures to create inflation, such as purchasing more government bonds. One official yesterday said: "What this [reduction in liquidity] shows is that cutting overnight rates further will not help. We need to do something else."

Mr Sakaiya said yesterday that long-term interest rates of around 1.8 per cent were suitable for the economy. The yield on the benchmark 10-year government bond yesterday fell to 1.75 per cent, sharply below the 2.44 per cent recorded last month. This decline comes after the government performed a striking U-turn last week, and announced that state institutions such as the Trust Fund would start buying bonds again to curb the rise in long-term rates.

FORECASTS GDP RETREATS 0.4% □ BUSINESS CONFIDENCE FALLS

German economy shrank last quarter

By Frederick Sidemann in Berlin

Germany's economy contracted at the end of last year, and business confidence is worsening. According to Bundesbank forecasts released yesterday, gross domestic product fell on a seasonally adjusted basis by 0.4 per cent in the fourth quarter of 1998, largely because of the effect on exports of the financial crisis in emerging markets.

Munich-based Ifo institute showed a decline in expectations in January. The index, one of the key benchmarks of sentiment in the real economy, showed a seasonally adjusted decline in expectations among west German companies from 96.5 to 96.1, based on a reference point of 100 for 1991.

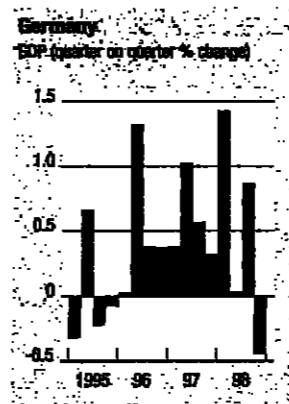
Analysts said the data suggested that German growth would be lower than expected. Thomas Mayer, chief economist at Goldman Sachs in Frankfurt, called the figures "a bad start for 1999".

The only bright spot in the Bundesbank assessment was a stronger-than-expected increase in consumption, which rose 1 per cent.

This week's wage agreement of a 3.3 per cent base pay increase for engineering workers, which was notably higher than employers had bargained for, is expected to give a further boost to consumption. But in the medium to longer term, economists said the settlement, which is likely to be a benchmark for the rest of the German wage round,



Jacques Chirac, right, at IMF headquarters in Washington with the president of the InterAmerican Bank, Enrique Iglesias. The French president yesterday called for action to stabilise exchange rates



strike vote unless they accepted Thursday's settlement for their individual regions. Next week, a further five regions will seek a settlement.

Better terms for poor to be considered

By Robert Chote, Economics Editor

The G7 finance ministers are to discuss proposals to improve debt relief for highly indebted poor countries.

This is substantially more generous - and therefore more expensive - than the current scheme. If all eligible countries qualify for assistance on the current terms the cost in net present value terms would be \$15bn-\$16bn, although this would fall to about \$8.5bn in the likely event that Liberia, Somalia and Sudan fail to establish a good policy track record.

Mr Brown said that extra debt relief could be provided in a number of ways. Officials said one possibility would be to reduce the ratio of debt to exports deemed sustainable to around 150 per cent from the current target of 200-250 per cent.

Very open economies for which debt is a serious fiscal burden already have more generous sustainability criteria, which Mr Brown believes could be eased further.

The chancellor also favours abolishing the second half of the six-year policy track record that countries have to establish, so that relief is delivered at the same time it is committed.

But other countries believe it would be better to shorten the track record by committing relief earlier but still insisting on a three-year track record before delivery.

FRANCE INVESTMENT TO GROW 5%

Sudden rebound in confidence

By Robert Graham in Paris

French business confidence has weathered the emerging markets crisis and industrial investments are set to grow 5 per cent this year.

The unexpected rebound in confidence emerged yesterday in the latest investment survey by Insee, the official statistics institute.

The investment mood contrasted with that of Germany and raised questions about macro-economic co-ordination between the two leading economies in the euro-zone. The issue has come to the fore as members of the Schröder government in Germany press for retaliatory measures to counteract the downturn.

this year compares with an 8 per cent rise in 1998. However, the previous Insee survey published last October was extremely negative and predicted stagnation in 1999.

"The last survey was conducted at the height of worries about the Asian crisis and people were overly pessimistic," observed a leading private sector economist.

"Basically, this new survey shows business has now realised the crisis was not as bad as anticipated and they can go ahead with expansion plans at a modest level."

US TRADE DEFICIT GAP IN MERCHANDISE TRADE WIDER BY 25 PER CENT LAST YEAR

Americans binge on cheap imports from Asia

By Nancy Dume in Washington

The US trade deficit in goods and services surged to a record \$168.6bn in 1998, the Commerce Department said, giving new ammunition to critics of President Bill Clinton's trade liberalisation policies.

Merchandise imports from the Pacific Rim rose to \$328bn, comprising more than one-third of the \$399bn total imports. Exports of goods fell from \$679.8bn in 1997 to \$671bn.

Our trade [deficit] figures have soared month after month and it seems as if nobody's minding the store," said Congressman Sherrod Brown, a Democrat who opposes most trade pacts. "We must take stronger action to open markets overseas to American products."

The US deficit in trade in vehicles and parts reached \$80bn last year; the deficit in cars, trucks and parts with Mexico rose to \$16.6bn, as the US car industry continued to move production south of the border.

unfavourable global economic conditions. Economists are divided over the impact of the trade deficit. Most say the US economy is benefiting from the import of cheap goods while acting as a "locomotive" for the rest of the world.

Exports to the free trade zones, where enormous value is added by cheap labour and they are shipped back to the US market.

US-UK 'open skies' talks fail

By Michael Skapinker, Aerospace Correspondent

The UK and US failed to reach agreement on how to liberalise their bilateral aviation accord during two days of talks which finished yesterday.

The talks in London were the first since the US walked out of negotiations in October, saying there was no basis for agreement. The two sides are trying to conclude a new agreement to replace Bermuda II, the existing accord which both sides regard as outdated.

The UK government said it had told US officials it wanted the abolition of rules which prohibit foreign airlines from offering domestic flights in the US. The UK also wants the scrapping of rules requiring US civil servants to fly on US airlines, even if a foreign carrier offers a cheaper or more convenient service.

The UK said it was "disappointed" US officials had rejected its proposals on liberalising the US market. US officials said they had told the UK the proposals required changes to US law and it was impractical to think these could be achieved within the timetable envisaged for a new agreement.

Japan insurers may sue ministry over lost funds

By Naoko Makino and Gillian Tett in Tokyo

Some of Japan's largest life assurance companies are considering suing the ministry of finance, accusing it of concealing the scale of bad loans at Nippon Credit Bank, the insolvent Japanese bank, when it put pressure on the life assurance companies to inject around ¥77bn (\$832m) of funds into the company in 1997.

The companies say the ministry also breached written pledges that NCB would not collapse. NCB was nationalised last year, and shareholders have effectively lost all their investment.

Nippon Life, Japan's largest life insurer, which made the largest investment, yesterday refused to say whether it had received such written pledges. However, it said it was "carefully considering" whether to take legal action against the ministry.

nationalised last year, and shareholders have effectively lost all their investment. Nippon Life, Japan's largest life insurer, which made the largest investment, yesterday refused to say whether it had received such written pledges.

panies are traditionally extremely reluctant to challenge the ministry in public. It highlights the degree to which some traditional loyalties are crumbling in Japan, under the pressure of growing competition and the vast losses in the financial sector.

And the issue threatens to trigger fresh criticism of the ministry's past management of the financial sector, particularly since the treatment of NCB will be discussed in parliament next week.

Yoshiro Sengoku, of the opposition Democratic party said: "This is a very serious issue - we are going to demand that the ministry produces the documents."

At the time, the ministry of finance and Bank of Japan tried to solve the problems by injecting ¥290bn into the bank, of which ¥80bn was provided by the Bank of Japan and the rest by private financial companies.

The only option in 1997 because parliament had not approved the use of public money to bail out ailing banks at that time.

Ministry officials insist that a recapitalisation was the only option in 1997 because parliament had not approved the use of public money to bail out ailing banks at that time.

ment on whether it provided guarantees in 1997. However, it has since emerged that the scale of bad loans was considerably larger than revealed at the time. Some government officials claim that the discrepancy emerged because NCB was effectively using elaborate forms of "window dressing" to flatter its accounts.

administrative changes, such as the creation of an independent ethics commission. "If all those promises are delivered, we will be able to put most of this ugly saga behind us, and the focus will turn back to what's really important - the Games and the athletes."

The UK said it had told US negotiators in this week's talks that it was ready to agree a gradual movement towards full liberalisation. London said, however, it wanted British carriers to be given greater access to the US domestic market.

With the waves from the Salt Lake City corruption scandal still crashing into the shores of the International Olympic Committee, the man responsible for relaying the \$1.5bn in sponsorship money for the summer and winter Games is trying not to sound like King Canute.

for reform, changes which maybe under normal circumstances you might not be able to achieve." It is no surprise Mr Payne is putting on a brave face,

Mr Payne is unruffled by the group's actions, describing the media purchase John Hancock shelved as "relatively small in the overall scheme of things". He says it is unfortunate the media have grouped all the sponsors in with John Hancock, and even claims that some of its big corporate partners have been unhappy with the US group's outburst.

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Mr Payne accepts this could be a problem, and admits some sponsors have asked him if the IOC has a contingency plan in the event of defeat at the special session. "We told them: 'No, we don't, because there isn't an option. It will be done'."

ASIA-PACIFIC

MEASURES TO BOOST ECONOMY BUSINESS TAX ON BANKS CUT AND RESERVE REQUIREMENTS EASED

Taiwan moves to bolster banking sector

By Marc Clévie in Taipei
Taiwan yesterday moved to bolster its banking sector and shore up its slumping securities markets by cutting taxes, easing reserve requirements and loosening curbs on foreign ownership.

T\$41bn (US\$1.2bn) a year and would allow foreigners to buy up to 50 per cent of the shares in listed companies, up from 15 per cent.

The Ministry of Finance said it would cut the business tax on banks to 3 per cent from 5 per cent and scrap the 0.1 per cent transaction tax on corporate bonds. In addition, the central bank announced a reduction in reserve

requirements for commercial banks. Both institutions made clear that they expected profits to write down bad loans and that they would push for mergers to improve the health of a sector that has seen profits buckle under the burden of bad loans, a slide in securities

and property markets and fierce competition. "The central bank will co-operate with the finance ministry to actively carry out financial restructuring," said Peng Fu-tsun, central bank governor.

President Lee Teng-hui used his lunar New Year's Eve address on Monday to call for economic and financial reform, a task given extra political prominence by the mauling Taiwan's markets received in the just-ended Year of the Tiger.

The Taipei stock market fell 2.6 per cent in 1998 and has lost a further 9.7 per cent so far in 1999. The slump has deepened gloom over the economy, which grew 4.8 per cent in 1998 - a good performance by regional standards but Taiwan's weakest in 16 years.

Asean firm over stance on Burma

By Tad Barstow in Bangkok
The Association of Southeast Asian Nations (Asean) is determined to include Burma in next month's scheduled meeting in Geneva between foreign ministers from the grouping and the European Union, virtually ensuring that the meeting is cancelled.

S. Jayakumar, Singapore's foreign minister, said after meeting Win Aung, his Burmese counterpart, that Asean "had to adhere to the principle of non-discrimination on the question of participation of Asean countries in EU-EU meetings with the EU". This follows a similar statement by Indonesia on Thursday.

Senior Burmese officials are banned from receiving visas to EU countries, a ban that is part of a series of European sanctions against Burma enacted to punish the country's military junta for its systematic violation of human rights and lack of political freedoms.

EU diplomats have said they were unwilling to offer a visa to Mr Win Aung for next month's meeting unless the junta made some type of "humanitarian" gesture. The regime immediately released two high-profile political prisoners. At the same time it has refused to deny reports that as many as 270 new political prisoners have been sentenced to long jail terms since December of last year.

Last month a meeting of officials from Asean and the EU was cancelled for the third time over disagreements on Burma's role in such a meeting. The meeting was set to discuss implementation of a number of joint programmes of EU technical assistance to the region, programmes worth several million dollars. Asean had been repeatedly warned by its "dialogue partners" that admitting Burma to Asean in 1997 would have negative consequences for the organisation's diplomatic relations.

China starts to face up to rising crime problem

Official disclosure of disorder is unusual but authorities are being forced to address public anxiety. James Harding reports

Not long after a convoy of 21 transport trucks headed out of collieries around Datong in northern China last year, they were stopped by five highway robbers armed with guns and knives. The attackers killed one man, severely wounded several others and made off with about RMB100,000 (\$12,000) in cash.

Chinese police investigated 23 per cent more cases of crime in the first nine months of 1998 than in the same period the previous year, according to a report this month by a government think-tank that attributes a growing crime rate to higher levels of joblessness and the widening income gap.

The country was shaken by a record 2,500 explosions, according to the annual White Paper on social issues produced by the Chinese Academy of Social Sciences (CASS). Murder cases have increased by nearly six per cent to 21,000. The Ministry of Public Security reported last month that 442 police officers died and 7,736 were injured while on duty last year.

There have been seven confirmed bombings in China since the beginning of the year, which together have killed 33 people and injured more than 100. Police have generally declined or been unable to explain the motives behind the blasts.

The government think-tank noted the social tensions caused by the growing numbers of redundant workers - either labourers from state-owned factories or migrants who have flocked to the city from the countryside.



Crime crackdown: Chinese police publicly parade a suspected robber

By last September, there were 10.7m such dismissed workers and 170m surplus rural workers, the report said.

In Taiyuan, the capital of Shanxi province, for example, where the economy is struggling to cope with the restructuring of the coal industry and the decline of state-owned industries, Mr

Yu, a former coal-truck driver, said he estimated unemployment at 40-50 per cent. China's official jobless rate is 3.5 per cent, but economists generally agree that the government figure considerably underestimates the true levels.

The levels of violent crime appear to have been particularly high in urban areas in China's poorer, inland provinces.

Last month four masked gunmen stormed into a shop in Wuzhou, the industrial city on the Yangtze river in central China, and stole RMB3m worth of jewellery. As they made their getaway, the robbers fired on a crowd of people, killing one person and injuring seven.

Nepal clamps down on alcohol and tobacco ads

By Shree Shrestha in Kathmandu
All tobacco and alcohol advertising was banned from Nepal's radio and television stations yesterday.

The ban is the culmination of a government campaign launched last October with public service announcements questioning some of the themes - "glamorous", "brave", "modern", "western", for example - used in the industry's advertising.

With no further warning, the ban was announced on January 14. "The response to anti-tobacco and alcohol advertising was encouraging. We then took a proposal to ban advertising to the government," said Bhoj Raj Pokhrel, secretary of the Health Ministry.

"This is only the beginning. We are working on a long-term strategy to tackle smoking, including policy for print media ads, billboards and delineation of no smoking zones," he added.

There is concern about Nepal's large number of women smokers, most of them living in villages scattered across the Himalayan hinterland where health-care is primitive.

The promotions on television offered a wide range of themes - from the "Marlboro Man" to one which tried to capitalise on nationalist sentiments with images from history pegged to a sales pitch that said "My Nepal, My Pride".

Three Nepalese companies compete with foreign producers to sell about 15 main cigarette brands. The cheaper brands come without filters and experts say these cause most damage to smokers - mainly the poor.

The beers sold in Nepal include licensed brands of European, Asian and Indian brewers. Among them are Carlsberg and Tuborg from Denmark, San Miguel from the Philippines, Kingfisher from India and Singha from Thailand.

The alcohol content of beer does not have to be disclosed on labels and some brands are said to be "extra strong".

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LEGAL NOTICES

No. 618 of 1999
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IN THE MATTER OF MIDLANDS UNLIMITED and
IN THE MATTER OF THE COMPANIES ACT 2006
NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 17 February 1999 confirming the reduction of the capital of the above-named Company from £235,000,000 to £75,000,000 and the Minute approved by the Court showing with respect to the capital of the Company at altered the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on 19 February. DATED 17 February 1999
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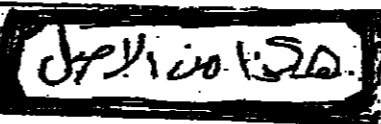
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BRITAIN

INTERNATIONAL ACCOUNTING FTSE 100 FINANCE DIRECTORS BELIEVE UK RULES ARE SUPERIOR

EU standards plan alarms companies

By Jim Kelly, Accountancy Correspondent

The UK's leading companies are concerned at Brussels proposals to impose international accounting standards on listed companies in London in an effort to forge European economic and monetary union.

any imposition of such standards on UK companies, as we believe that in a number of areas they are not as good as UK rules. Chris Pearce, finance director of Rentokil and chairman of the group, said that finance directors would be making their views known to the Department of Trade and Industry when it publishes documents as part of its review of company law shortly. Finance directors largely

believe that UK rules are superior to the international code and dislike several specific standards which, if adopted, would hit reported earnings and introduce volatility into reported profits. The European Commission has told EU finance ministers that its preferred option for accounting in the single market is that listed companies should be "obliged" to follow international accounting standards. The DTI is meanwhile pre-

paring to use its the company law review to ask whether UK law should "require or permit" companies to follow international standards. The UK's position is unique. It supports international standards - and contributes to writing them - but requires UK companies to follow rules written by the Accounting Standards Board.

Sir David Tweedie, of harmonising with international standards but preserving an "opt out" on big issues where it thinks the international approach is flawed. The transition would have four main effects in the UK. International standards require full provision to be made for deferred taxes - hitting earnings because the tax charge is higher. They also require pension costs to be calculated using market-based values rather

than actuarial assumptions. This can introduce volatility when the markets move. They do not allow companies to preserve on their balance sheets elements of purchased goodwill - the difference between what a company costs and the value of its net assets. The International Accounting Standards Committee, the body that writes the international guidelines, has just published a standard on derivatives.

NEWS DIGEST

GLOBAL COMPETITION

US electronics group to close Scottish factory

AMP, the electronic component maker based in Harrisburg, Pennsylvania, is to close its plant at Port Glasgow, western Scotland, by the end of the year. AMP, which makes interconnection devices for electronic and electrical products, is reorganising its UK production as part of a global profit improvement plan. Production will be moved to several countries including England. The plant, which opened in 1955, supplies connector plugs and chip holders to computer manufacturers in several countries. Tony Gatt, managing director of AMP of Great Britain, said: "We know that our company must change in order to remain competitive and to secure its future in a market where price erosion and globalisation are having an ever increasing impact." James Buxton, Edinburgh

ROMAN CATHOLIC CHURCH

Split with Vatican on Pinochet

A split opened yesterday between the Vatican and the Roman Catholic Church in England after the Pope lobbied on behalf of General Augusto Pinochet, the former Chilean dictator facing extradition from the UK to Spain. The Vatican, which wrote to the UK government after a request from the Chilean administration, said it wanted to see "national reconciliation" in Chile. A UK government official said the Vatican letter to Tony Blair, the prime minister, expressed concern at the implications for Chile's fledgling democracy if Gen Pinochet was prosecuted outside his native country for alleged crimes against humanity. But the office of Cardinal Basil Hume, head of the Roman Catholic Church in England and Wales, said yesterday he stood by his December statement. "There are some actions such as torture or genocide that are so wrong that no one who commits or authorises them should have total immunity. They should be made accountable for their actions," he said at the time. FT World News staff

GERMAN MANUFACTURER

Factory relocated - literally

A complete factory been was loaded into 120 trucks and shipped from Germany to England in an unusual example of UK manufacturing fighting back against economic difficulties. Dana, a US company that is one of the world's biggest axle makers, is to restart the plant in the northern English city of Leeds this year. It will produce £10m (\$18m) of components annually, 90 per cent of which will be exported. The plant was previously run in Kassel by Thyssen, the German steel and engineering giant that is in the throes of a merger with Krupp, another big German company. Thyssen decided to shut the operation last year, calculating it could not be run at a profit because of high German labour and energy costs. Peter Marsh, London

ROYAL AUTOMOBILE CLUB

Judge rejects members' action

A judge in London yesterday dismissed one of the five legal actions launched against the Royal Automobile Club by disgruntled members, clearing one of the obstacles to the disposal of its motoring services arm. The case was brought by members outside the UK seeking to block the disposal of RAC Motoring Services. But non-UK and retired members, as well as a group in the US, are still pursuing separate claims to be included in a pay-out of up to £35,000 (\$57,050) each on the proceeds of the disposal. The dispute centres on the RAC's decision to restrict the payout to full members of its two clubs in southern England. The RAC agreed to sell its motoring services for £450m to Centand, a US business services group, but this was in effect blocked this month by the UK competition authorities. Charles Batchelor, London

Language becomes a barrier to securing export deals

Businesses may be losing trade because of a failure in communication, says Sathnam Sanghera

Imagine you are a company trying to push through a vital deal with a French partner. "Ce va faire un malheur," says your Parisian counterpart during the negotiations. Your heart sinks and you panic. You remember from school lessons long ago that "malheur" means misfortune, sorrow, hardship. He thinks our product is no good, you think.

However, the phrase actually means "It's going to be a big hit!" In the meantime you have jeopardised the whole deal by telling your French partner that he doesn't know what he's talking about.

Situations like these are common. "Approximately one British exporter in five has experienced a language barrier and about one in eight has lost business as a result," says Professor Stephen Hagen, who has edited a book called Business Communication Across Borders.

The study, which collates research from across the European Union, makes depressing reading for British exporters. One survey found that in terms of fluency in another language the British are bottom of the European league. Only 14 per cent of respondents claimed to speak another language to a very high standard, whereas the average



Trade minister Brian Wilson (left) demolishes a symbolic language barrier at the launch of the National Languages for Export Campaign, at the Eurostar train terminal in London. With him is Trevor McDonnell, the campaign chairman.

for Europe is 26 per cent. This figure looks particularly bad when it is noted that more than 60 per cent of UK exports go to traditionally non-English speaking markets. Furthermore, the UK has the highest cross-border merger and acquisition activity in Europe.

The UK government recognises the severity of the problem and is seeking to improve things through its National Languages for Export campaign. Launching this year's campaign awards, Brian Wilson, the trade minister, said: "Failure in the ability to communicate effectively is a major barrier to UK exports, particularly in Europe, Latin America and Asia. It means that for many British firms more than a quarter of their potential revenues are at risk." The Confederation of British Industry, the country's biggest business lobby, is also concerned. "Language skills are useful to all

employees, but they are particularly important at the European managerial level where people have an essential need to communicate well," it said. Prof Hagen says having English as a mother tongue can be a double-edged sword: "It is the most widely used

The British are bottom of the European league for fluency in languages, a survey indicates

business language in the world, but it also puts people into believing that it suffices for all occasions throughout the world." In fact, even using English when dealing with countries such as the US and Canada is not a guarantee against misunderstanding. A 1996 UK government language study found 19 per cent of UK companies had experi-

enced linguistic problems using British English as opposed to international English. At times their counterparts could not understand their accent or particular Britishisms such as "she took a butchers at it" (rhyming slang; butchers is short for butcher's hook,

Zeneca, which won the large company category in last year's National Languages for Export awards, runs weekly classes in French, German, Spanish, Italian, Japanese and Portuguese. But Prof Hagen found that it is not these larger companies that have biggest problems. Particularly affected are companies which are less than five years old, have between 11 and 250 employees, and have managing directors over the age of 50. John Bugeja, head of corporate business development at National Westminster bank, thinks the UK needs to address this problem with a more energetic attitude towards language training. "We urge our corporate customers to actively develop their language skills," he says. "Sometimes they may think they have negotiated a good contract with a non-English client, but they in fact have terms which reduce profits considerably."

Canadian group to enlarge Belfast airport

By Michael Skapinker, Aerospace Correspondent

Bombardier, the Canadian aerospace group, is to invest £30m (\$49m) in building a terminal and other facilities at Northern Ireland's Belfast City airport. Bombardier said the investment was needed because the number of passengers using the airport had grown from 85,000 in 1983 to 1.3m last year. The airport, which operates from partly prefabricated premises, handles 45 per cent of scheduled air services between Northern Ireland and the rest of the UK.

John Doran, the airport's director, said: "We believe that demand for air travel within and between Ireland and Great Britain will remain strong, and particularly so if political progress continues."

The terminal will be built about 800m east of the existing facilities. Construction will begin in the spring with work expected to be completed in 12 months.

Bombardier, the world's third biggest civil aerospace manufacturer, acquired the airport when it bought Short Brothers, the Northern Ireland aerospace and defence group, from the UK government in 1989.

Until Short Brothers was privatised, the government regarded the airport as being in competition with Belfast International, which was also state-owned, and made little investment in it.

Belfast International is now owned by BTL, the airports and property group. Unlike Belfast International, Belfast City does not provide international flights.

However, many Belfast City passengers fly to other airports within the UK to make international connections.

Belfast City has benefited from its central location, while Belfast International is a 40-minute drive from the city centre.

Bombardier said that, after the new terminal was completed, it would invest in improved transport links, including the possible building of a railway station.

James Stewart, Bombardier's vice-president for finance, said the investment would give Belfast City "all the facilities of a world-class regional airport, adding: "It will significantly improve services for air travellers and provide a suitably impressive gateway to Belfast and to Northern Ireland."

RACE RELATIONS MEDIA ACCUSED OF RUINING THE LIVES OF PRIME SUSPECTS IN LAWRENCE MURDER CASE

Killers of black student 'were not our sons'

By Simon Buckley, Social Affairs Correspondent

The mothers of five men who are prime suspects for the murder of a black student in London in 1993 yesterday declared their sons innocent and complained that the five had been persecuted by the media, which had "ruined their lives". The women were speaking publicly for the first time since a racist gang stabbed 18-year-old Stephen Lawrence to death in 1993.

The report into the failure of the police to convict anyone for the killing is due to be published next week, and is expected to make serious criticisms of Scotland Yard.

The report comes after a long and emotional public inquiry. Sir Paul Condon, commissioner of the Metropolitan Police and therefore police chief for all of London apart from the City financial district, told the inquiry he accepted that racial prejudice was widespread, but pleaded for the final report not to brand his force as suffering from "institutionalised racism". The Lawrence case has become the most significant event in British race relations since the riots in the south London district of Brixton in 1981. Then, street fighting erupted in protest at allegedly insensitive police treatment of ethnic minorities. This led to the Scarman report, which proposed big changes to policing methods. In February 1997, an inquest jury ruled that Mr Lawrence was unlawfully killed in a "completely unprovoked racist attack by five white youths". Five men all now in their early 20s, including two brothers, were then identified by the Daily Mail, the UK daily newspaper.

The paper published front page photographs of the five, branded them "murderers" and challenged them to sue for defamation. They have not done so. The four mothers said on BBC radio yesterday they had wanted to sue but they were told that mounting a libel suit would cost £500,000 (\$815,000). They argued that if the five men's safety and a fair hearing could be guaranteed, they would be prepared to testify in any libel suit against the newspaper. The Daily Mail yesterday said it "would welcome the opportunity to establish the truth in a court of law about this terrible crime and why Stephen's killers are still free". Peter Bottomley, the Conservative MP who in 1993 represented the district where the murder took place, yesterday defended the Daily Mail's "legitimate journalism" and asked:

"When will they [the five] explain why they refused to answer questions at a coroner's inquest on the grounds that it might incriminate them?" However, the mothers insisted their sons "have got nothing to do with the murder of Stephen Lawrence". "We think it's political," said one. "We are not racists, any of us." She was asked about a tape of the men, filmed after the murder by police surveillance cameras, which showed one of the men wielding a knife, demonstrating how to stab a black man. She responded: "Well, I don't think it did suggest violence at all. It was playing, acting."

Nation's biggest coal producer faces sternest test

The threat of industrial action and an expected profits fall mean that RJB Mining is battling for survival, writes Thorold Barker

Richard Budge, chief executive of RJB Mining, is well known for his ability to sell his ideas to investors, but even he will have his work cut out in the coming weeks to convince them that Britain's biggest coal producer and the main beneficiary of the once vast state-owned mining industry has a bright future.

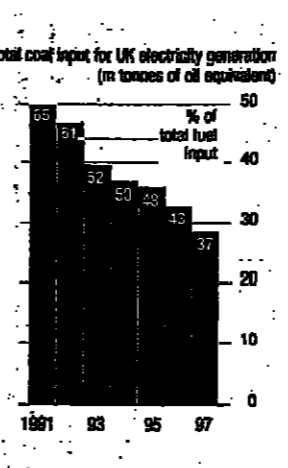
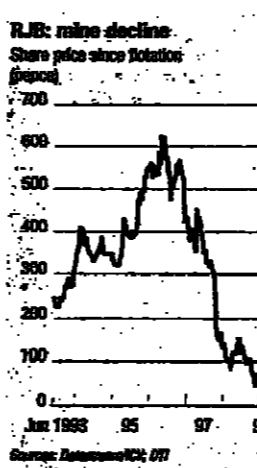
The company's 1998 results, to be announced in 10 days, are expected to show pre-tax profits of about £8m, down from £17.5m last year. Meanwhile, the Union of Democratic Mineworkers has threatened indefinite industrial action from March 1, the day before the results. If a wage dispute cannot be settled, "Mining in the UK has declined a lot quicker than expected since privatisation [in 1994]," says Mark Burridge, at Merrill Lynch. "The growth of gas-fired

stations has reduced the need for coal, while the strength of sterling and modern production methods overseas have increased imports and squeezed margins to the bone. "RJB needs to convince people that it can shore up what is left of the UK production and find growth from elsewhere."

In 1997 and the first quarter of last year, RJB's figures were flattered by favourable contracts signed with the fossil fuel generators before privatisation. Analysts believe they were paying RJB about 140 pence a gigajoule for coal. The company signed new five-year contracts with PowerGen and Eastern Group in December and is still negotiating with National Power. But at about 120p a gigajoule, the contracts barely cover the

estimated 119p it costs to produce UK coal. Volumes have also fallen. RJB sold 41.8m tonnes in 1997, which analysts expect to fall to about 35m tonnes for 1998 and as low as 16m tonnes by 2005. This rapid decline, coupled with investor concerns over the impact of tighter environmental legislation on burning coal in the next century, has pushed the shares down far below their 52-week high in London of 170p. They reached 85p in April 1998. Mr Burridge says the company, which he expects to be almost debt free at present, has to choose between three options: managing the declining business for cash; vertical integration into power generation; or overseas expansion. Overseas expansion is the most likely option and Mr

Burridge believes RJB could spend about £150m (\$245m) over the next three years on acquisitions. It bought a stake in CIM Resources, a small Australian coalmining company, which it increased to 20 per cent in 1997 with a view to using it as a vehicle for further acquisitions. These have not been



to lead to industrial action. Neil Greatrex, president of the UDM, said this week he was "giving the company one last chance", by delaying industrial action from February 22 to March 1, but was not positive on the prospects for a deal. He said: "I'm not sure he [Mr Budge] wants a strike to give him an excuse to close capacity."

However, Mr Budge said: "I think the union is playing Russian roulette with mineworkers' jobs. We have secured useful contracts, but at very tight margins. There isn't the money there they're asking for." The first four days of March are likely to be a crunch time for RJB. If no solution is reached, the company will announce its results on March 2 against a background of the first miners' strike in 15 years. It would not be a comfortable position from which to complete negotiations with National Power.

Various financial advertisements and market updates including Argus Global Markets, Shares-Tax Free, and Market-Eye.

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Saturday February 20 1999

The perversion of science

It is an ancient story. The fascination and dread of science goes back to the myth of Prometheus, the Titan tortured for bringing mankind fire. In more modern times, the poet William Blake expressed a nameless fear that could be the leitmotif of many pressure groups: "Science is the tree of death."

proven that mixed drinks should be banned. Presentation is only part of the problem, however. At its heart is the extreme difficulty that many people have in coping with the concept of risk and the statistical tools used for evaluating it.

The nuclear myth

One example is the connection between nuclear installations and leukaemia in young people. A study in 1987 showed that a village near Sellafield, the reprocessing plant in Cumbria, had 10 times the usual incidence of this disease over an 18-year period. This finding caused widespread concern and still reverberates among anti-nuclear campaigners.

In spite of worldwide evidence that nuclear power is safer than the alternatives (even including the disaster at Chernobyl in the former USSR in 1987), many people think nuclear plants are actually as well as potentially dangerous.

A less emotive example is water purity. Ian Byatt, the UK water regulator, has pointed out that quality improvements required by EU law are akin to putting an aspirin in a swimming pool. Yet billions of pounds must be wasted to make very safe water "completely safe".

News media have helped stir the brew, for example by printing faked pictures of "genetically modified" sweet corn with a fish's head. Such absurdities can have powerful effects, which the governments and sober scientists cannot easily counter.

Yet an effort must be made to rescue the overall scientific debate from a babel of confusion, for two reasons. First, the public policy issues are of great importance. They range from the future of nuclear power in Germany to world trade in food products and advances in genetics that might yield benefits for medicine as well as food production.

Robust answers

What can be done? Certainly politicians have a lot to learn about countering silly claims with robust answers. As Sir Robert May, the UK government's scientific adviser showed this week, a vivid metaphor can sometimes be more telling than a file of figures. Mixing arsenic with a gin and tonic, he said, might kill you, but this does not

Andrew Buxton, chairman of Barclays, ought to have looked a troubled man as he presented his bank's annual results last week.

In the space of a year Barclays had lost a chief executive, dropped £206m (£334m) on rash trading in the bond markets, another £163m on bad loans to Russian customers, and, by its own admission, had let its operating costs run out of control.

In fact, the bank looked so damaged that several City financiers and investment managers believed the best solution would be a reverse takeover by one of the Scottish banks - half Barclays' size but each with a management team capable of getting to grips with the problem.

Yet in the calmer moments of what Mr Buxton called "an apparently turbulent year", Barclays found time to rack up £1.9bn of profits. A go-go internet giant such as America Online (whose market capitalisation is 1.7 times that of Barclays) might take eight years to earn as much.

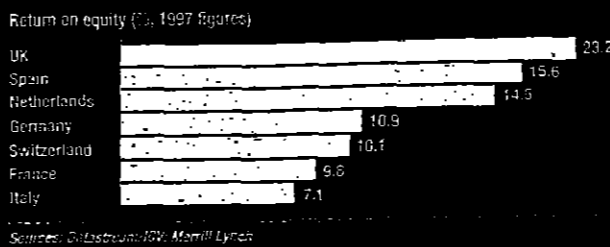
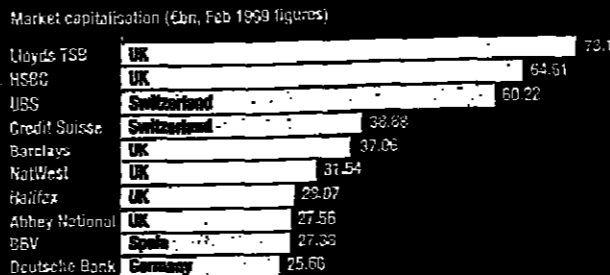
If the laggards in the British banking class can make this sort of money, what of the star pupils? Lloyds TSB reported a 14 per cent increase in its pre-tax profits to £3.25bn, equivalent to an after-tax return on shareholders' equity of 33 per cent.

National Westminster Bank, which a year ago was pilloried by investors as Barclays is today, is likely to deliver more than £2bn in profits, while HSBC will have earned well over £4bn despite heavy bad debts in its extensive Asian businesses.

Profitability of this sort is hard to reconcile with the picture bankers often paint of an industry beset by technological change, both ways by new competitors and bewildered by an uncertain economic outlook.

Consider some of the threats to Britain's high street banks. MBNA, the US credit card specialist, is taking the card market by storm. Egg, the direct banking operation set up by Prudential, an insurance company, has shaken up the deposit market by offering savings rates that are higher than the banks themselves can obtain in the money market.

In the money



their investment. All the same, the gap remains wide.

So where do these profits come from? And why, if the pressure from new entrants is so fierce, have they not been competed away? On the face of it, the persistence of these profit levels should offer plenty of meat for Don Cruickshank, the former telecommunications regulator appointed by the government to look into the state of competition in the banking industry.

The first part of the answer lies in the condition of the UK economy at large. In principle, bank profits are built for the most part on the volumes of loans they make and the deposits they collect; the margin between the interest rates for these two sides of their balance sheet gives them their profits (or losses). But in a mature market such as the UK, it is hard for a very large bank to expand loan and deposit volumes much beyond the level of the economy as a whole, and even harder to widen net interest margins.

The biggest swing factor in bank profits, therefore, has been the level of bad debts. To simplify, this is what drives banks' profits. In 1992, when banks' accounts showed the worst of the effects of the last UK recession, the seven principal English and Scottish clearing banks set aside £8.45bn of bad debt provisions between them. Last year, the total for the same group is estimated to have been around £2.6bn.

Although the economic slowdown is already under way, banks are not yet seeing their customers' difficulties show up in the form of bad debts.

losses over the course of the economic cycle at around £700m. Last year, excluding its Russian losses, it set aside just £339m of bad debt provisions.

To some extent, British banks are benefiting from luck and good macro-economic management, rather than from their own efforts. On most economic forecasts that luck is set to hold. Even if the UK sinks into recession this year, few economists expect the severe conditions that will drive small businesses into bankruptcy or homeowners into default on their mortgages.

Many bankers go further. "I believe we are in for an extended period of low inflation and possibly deflation, with, presumably, low interest rates and rather low worldwide growth," said one bank chief executive.

But British banks have not merely floated passively on the macro-economic tide. The other side of their profitability reflects a interplay between competition, technology-based efficiency gains, and customer inertia.

work has been whittled down from a peak of 21,800 branches in 1985 to around 15,000 today. Each branch, too, has fewer staff.

Customers rarely love their banks, and one of the most frequent complaints is the disappearance of the human touch in the bank branch. Yet it has to be said that customers have reaped most of the benefits of the banks' efficiency gains.

The services available today - cash dispensed at the touch of a button by machines in the railway station or staff canteen, instant account balances, transfers and even loans available over the telephone and around the clock - were not dreamt of by the dear old branch manager.

But as fast as the banks reduce the cost of delivering a particular service, the more intensively customers start to use that service.

So on the face of it, customers capture all the efficiency gains. The process, however, operates with a time lag. If banks can keep improving their efficiency faster than customers can take advantage of those efficiency gains, profits continue to rise.

Though services have improved, the UK has some way to go to match the levels consumers have got used to in some other countries. British banks remain years behind their French rivals - often derided for their poor profitability - in electronic banking, and continue to drag their feet on the provision of internet services.

Nor is the UK's money transmission system - one of the targets Mr Cruickshank has singled out for attention - the consumer-friendly in the world. Customers

in New Zealand and Canada get deposits credited and account balances updated instantaneously, while in the UK they must wait days to receive cheques and even automated payments such as direct debits.

And then there are interest rates. Credit card rates charged by the biggest traditional banks remain above 30 per cent, whereas the newer card issuers typically charge between 13 and 19 per cent. US card rates average just above 13 per cent.

Meanwhile, two weeks after the Bank of England cut money market rates to 5.5 per cent, most customers of the biggest mortgage banks are still paying 7.45 per cent on their home loans. In the US, a standard adjustable rate mortgage costs just half a percentage point more than the Fed Funds rate.

This does not add up to a charge of usurious exploitation, but it does suggest there is plenty of fat.

The fact is that customers get the banks they deserve. Competition in financial services did not begin with the arrival of these newcomers - the traditional high street clearing banks have been steadily losing market share, notably to building societies, since the 1980s. Yet the British consumer remains more likely to swap spouse than bank.

While that inertia prevails, the UK's traditional banks will get away with interest rates that are merely good enough, and not necessarily have to match the best in the market. With such under-manning customers, Mr Buxton's successors and their opposite numbers at the other leading banks could have years of fat profits ahead of them.

All the food that's fit to eat

LETTERS TO THE EDITOR

Stupefied by Barclays chief's 'package'

From Sir Ian Lloyd. Sir, Figures are occasionally reported that provoke a suspension of belief in the free enterprise system. I imagine I am not alone in reacting with stupefaction to the announcement that the new chief executive of Barclays Bank is to receive a "package" of £7m (£11m).

includes a "transatlantic location allowance" amounting to £175,000, sufficient to charter Concorde for his family and a container ship for his chattels and effects.

Remuneration should certainly reflect both skill and scarcity, but these criteria cannot justify figures that are as offensive and damaging to social cohesion as the lifestyles of aristocrats in pre-revolutionary France. Boards that fail to consider the wider effects of their actions have only themselves to blame if public reaction becomes hostile, and

employees, customers and shareholders begin to ask embarrassing questions about branch closures, interest rates and other charges.

Finally, their actions suggest that there is not a single individual in Britain with the requisite skills - an unwarranted slur on the reputation of the City of London.

Sir Ian Lloyd, Bakers House, Priors Dean, Petersfield, Hants GU32 1BS, UK

Anonymous captain, happy ship

From H. Ball-Wilson. Sir, May I express my sincere appreciation for the editorial "Banking on Superman" (February 13-14), and specifically for the statement: "Indeed, some of the best managed and most durable of the world's big businesses have a positively anonymous executive style."

Leadership by example, at each level in an organisation, pro-

duces a "happy ship" instead of a battleground, and results in efficiency even beyond expectations. The UK prime minister Ted Heath's three-day working week in the '70s clearly proved this fact by achieving five days' production in three days.

H. Ball-Wilson, 2345 Ala Wai Blvd, #2714, Honolulu, Hawaii, US

Ration space via take-off and landing fees

From Mr Ken Niemi. Sir, The discussion of the problem of growing demand for air travel facing local restrictions on airport expansion is certainly of global interest ("Open skies land politicians", February 13-14). A key point left out of the discussion by Michael Skapinker was the use of landing and take-off fees to ration very limited space during peak times as efficiently as possible.

Specifically, if these fees were increased substantially during peak times and decreased during off-peak times, the effect would be that only the largest planes would be used by airlines during the peak times and there could be fewer take-offs and landings, reducing noise and airport congestion.

At airports such as San Francisco's SFO, where fog and light rain can cripple capacity, proper pricing could be of particular help, since 15 per cent of its flights are via planes and small jets that have limited capacity.

The ultimate solutions will involve efficient pricing, more high speed rail connections between hub airports and regional cities, and as much runway expansion as possible after the other two solutions are under way.

Ken Niemi, 2426 44th Avenue, San Francisco, CA 94116-2061, US

No wonder euro-banking fees make headlines

From Mr Marco De Andreis. Sir, In your editorial "Euro banking" (February 17) you list several types of foreign exchange costs banks bear. Had you added that euro-zone central banks change euro-zone foreign notes into local currency notes free of charge, your list would have had only one item: "the cost of carrying inventory of foreign notes". But I doubt it can justify the 8

per cent fee I had to pay last week to change BFR3,000 into Spanish pesetas at the Argentinian branch of the Barcelona airport. No wonder euro fees are making headlines.

Finally, all agree that banks in the euro-zone no longer bear what you call "the cost of managing exchange-rate risk". Cost? Risk? European banks used to make some \$5bn a year of profit

from cross-border money transfers. Can this hefty profit not help explain why euro banking is so reluctant to share with its customers the cost-free, risk-free, placid atmosphere brought by the euro on January 1?

Marco De Andreis, European Commission, rue de la Loi 200, B-1049 Brussels, Belgium

Breguet advertisement featuring a watch and text: "Invented for you. A Breguet watch has a unique responsibility: it comes to you carrying the name of Abraham-Louis Breguet, the greatest watchmaker ever known. You will recognise it by the legendary 'Breguet' hands, the shimmering guilloché dial, and the finely striped case band that give your Breguet its strong character. Most important, it will have a hand-finished movement, as inimitable and accurate today as two hundred years ago. Wear it with pride, you have chosen an exceptional watch."

MAN IN THE NEWS ABDULLAH OCALAN

Tarnished icon

The capture of the violent and ruthless leader of the PKK has brought the plight of 25m Kurds to world attention, writes Harvey Morris

A London teenager this week set herself alight to protest against the capture of a pot-bellied 50-year-old known as "Uncle". His unsmiling portraits with droopy moustache cover her bedroom walls where other girls might have pop stars. It is safe to say she is in love with the idea, not the man.

Abdullah Ocalan is an unlikely object of such devotion. His ideology is a mish-mash of Marxism and national liberation, with a passing nod to Islam. One of his heroes is Stalin, a man he superficially resembles. He claims to be Apo - uncle - to some 25m Kurds, yet he has not set foot in Kurdistan for almost 20 years. He is a Kurdish icon and yet his mother tongue is Turkish.

By promises that Atatürk's Turkey would be a bi-national state of Turks and Kurds - a reward for Kurdish loyalty in the war, in which their militias spearheaded the massacre of Armenians.

Mr Ocalan's appeal is to a historical sense of dispossession and wrong. At the outbreak of the first world war, most Kurds were subjects of the multi-ethnic Ottoman Empire. When that empire broke apart, southern Kurdistan was snatched by Britain and incorporated into the new Arab state of Iraq. The Kurds of Anatolia were lured

by promises that Atatürk's Turkey would be a bi-national state of Turks and Kurds - a reward for Kurdish loyalty in the war, in which their militias spearheaded the massacre of Armenians.

areas they controlled (Iraq contains more Kurds than any country except Turkey). His insistence that he commanded a pan-Kurdish movement dedicated to founding an independent state in the whole of Kurdistan came to be seen as an open challenge to the Iraqi Kurdish leaders.



All the food that's fit to eat

John Willman analyses the panic surrounding the introduction of genetically modified foods in the UK

The telephones have been ringing off the hook this week at Organix Brands, the private company that makes the most popular organic baby food in Britain.

US. No-one has died from eating them and there is no documented case of human ill-health arising from genetic modification. Yet even before this week's storm of campaigning, 68 per cent of British consumers said they did not approve of genetically modified food and 65 per cent would not knowingly buy it. These figures would almost certainly be higher now.



The Vegetable Gardener, Giuseppe Archimboldo Bridgeman Library

But their concern that Dr Pusztai had been forced into retirement last summer after revealing his findings on television raised the spectre of a cover-up.

Some in the food industry are convinced there is little more to this than an orchestrated campaign by organisations such as Greenpeace and Friends of the Earth. They point to the domination of press coverage by environmental correspondents who are close to such groups and in some cases previously worked for them.

Time waits for one man

This weekend's meeting of finance ministers from the Group of Seven leading industrial nations might be the last for the current duo at the US Treasury, says Gerry Baker

Last week, Time magazine departed from its usual weekly front page diet of Hollywood celebrities and Monica Gate to run a cover story modestly entitled "The Committee to Save the World".

beginning six years ago. Mr Rubin would like his replacement to be Mr Summers, his loyal deputy. But there are still some in the Washington establishment who whisper their resentment of Mr Summers, a famously cerebral man, with famously underdeveloped people skills.

No-one in Washington thinks Ruben will stay until the end of the Clinton term in two years. The brilliant Harvard economist has been the intellectual force behind the administration's handling of global financial crisis. From the 1994-5 Mexican peso crisis to this year's Brazilian devaluation, and at every point in between, Mr Summers has been in the thick of the fray, coaxing and cajoling sometimes reluctant finance ministries and central banks to cleave to the Washington orthodoxy that emphasises stabilising the currency through raising interest rates in the short term and through fiscal retrenchment. Mr Summers has also been crucial in holding at bay US protectionist pressures against Japan, while maintaining pressure on Tokyo to open its markets, clear out its financial mess and cut taxes.

Oil in troubled waters

With a week to go before Nigeria's election, Robert Corzine and William Wallis visit the turbulent oil delta

Welcome to Yenagosa, said a white-haired old man, standing outside a café in a dusty town in the heart of the vast Niger delta. "This is the place where bullets ricochet off your youth."

challenge the authority of more cautious traditional leaders. Foreign oil companies such as Royal Dutch/Shell, which operate on behalf of the Nigerian state, are already in the line of fire. Militant groups have orchestrated kidnappings and closed oil installations in the state of Bayelsa.

the tensions in the delta. He says it is from an untreated spill. He is one of many young men in the delta who believe that oil leaks from ageing pipes - and not over-fishing - have choked the life from the once-fish-filled waters.

oil companies has made large parts of the delta no-go areas for foreign oil men, who risk being kidnapped or attacked by angry villagers.



Culture clash: Villagers in the Niger delta live in the shadow of foreign companies' oil rigs

the contractor having pocketed the money and abandoned the project. Although the residents of the delta are united in the demands for a long-awaited share of the oil wealth, the emergence of militant groups and their increasingly aggressive tactics have divided communities.

"If we're not careful, soon the traditional leaders will be the target as it happened in Ogoniland," says Chief Ikoubo.

would be a tragedy if a struggle directed against a remote and distant government claimed many of its victims from within the neglected communities themselves.

COMMODITIES & AGRICULTURE

Bridge/CRB index hits 24-year low

WEEK IN THE MARKETS

By Paul Solman

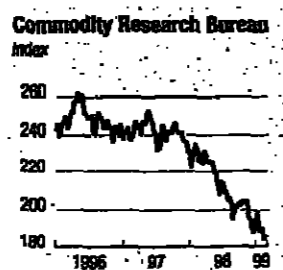
A recovery in world commodity prices seemed a distant hope as the Bridge/CRB Futures Price Index fell to a 24-year low and individual commodities such as oil and copper weakened.

The index, a widely watched basket of futures prices, fell to 184.33, its lowest since 1975, and analysts said its performance reflected commodities continuing to struggle to regain ground in the wake of economic problems in Asia and other parts of the world.

Many commodities are oversupplied and demand has failed to pick up. Brazil's recent currency devaluation has also depressed markets. The country is one of the largest commodity producers, and analysts believe the devaluation could encourage additional exports of commodities such as coffee and sugar.

Oil prices dropped below \$10 a barrel in London for the first time this year, briefly coming within sight of the 12-year low of \$9.64 reached in December. Market watchers struggled to interpret conflicting inventory data from the US, the world's biggest petroleum market.

US Department of Energy figures showed an apparent decline in crude stocks while the weekly report from the American Petroleum Institute indicated a stock build. In late trading yesterday



LME warehouse stocks

Table with columns for Commodity, Unit, and Change. Includes Aluminum, Copper, Lead, Nickel, Zinc, Tin.

benchmark April Brent crude was \$10.54 against last week's close of \$10.43.

Copper gave up some of the gains of earlier in the month, dropping through \$1,400 a tonne on the London Metal Exchange. By the end of the week it had clambered back up to \$1,405, \$68 below last week's \$1,473.

On the London International Financial Futures and Options Exchange, cocoa futures traded quietly for most of the week but put in a sudden surge yesterday to finish at \$930 a tonne, a gain of \$36 on last week's close.

May robusta coffee gained \$40 on the week, closing at \$1,638 a tonne. Meanwhile, Australia's iron ore exporters agreed to take larger than expected price cuts of about 11 per cent for iron ore shipments to Japanese steel mills.

WORLD BOND PRICES

Table showing weekly price changes for various commodities like Gold, Silver, Aluminum, Copper, Lead, Nickel, Zinc, Tin, and Wheat.

BASE METALS

LONDON METAL EXCHANGE

(Prices from Antiquated Metal Trading)

Table for Aluminum, Sulfur, and other base metals with columns for Date, Price, and Change.

Table for Precious Metals continued with columns for Metal, Price, and Change.

Table for Energy with columns for Commodity, Price, and Change.

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GRAINS AND OIL SEEDS

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SOFTS

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LONDON TRADED OPTIONS

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FOREX on the net advertisement with logo and contact information.

Large advertisement for Euro Stum and UK's LEAD FUTURES on the net.

CURRENCIES & MONEY

Euro stumbles

MARKETS REPORT

By Melanie Carroll

The euro received another drubbing on the foreign exchange markets yesterday, as poor economic news from Europe was compounded by better than expected figures out of the US.

The euro began to drop early in the London session on the release of surprisingly poor German and French economic figures, and later fell further after unexpectedly positive trade and consumer confidence figures came out of the US.

The fledgling currency ended trading for the week in London new lows against the dollar and the pound.

In Germany, the largest economy in the euro-zone, gross domestic product shrank by 0.4 per cent for the last quarter of 1998.

In addition, a gloomy US German business confidence index released yesterday, and poor production figures from France, facilitated the euro's downward progress.

Jeffrey Woodruff, currency strategist at BankEaston in London, said the euro's current woes were no surprise. "The euro is getting what it deserves," he said. "A lot of people were hoping the ECB would take a proactive stance on Thursday, and it is disappointing that it didn't."

He predicted the euro would sink to \$1.10 next week after the G7 meeting, and possibly as low as \$1.06 in the medium term.

Mr Woodruff added: "The longer these issues are put off, the harder the fall." The euro began to drop early in the London session on the release of surprisingly poor German and French economic figures, and later fell further after unexpectedly positive trade and consumer confidence figures came out of the US.

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financial figures have said during the week that they are happy with the weaker exchange rate of the euro.

The yen continued its slide against the dollar yesterday. Attendees at the G7 meeting today are expected to endorse a further weakening of the Japanese currency.

The yen bounced around a key ¥120 resistance level throughout the day after hitting a high of ¥120.75 during the Tokyo trading session.

Japan's strategy of stimulating the economy through sacrificing the currency has concerned some analysts, who fear it may also stir up US-Japan antagonism over Japan's trade deficit, and hold back other Asian currencies from recovery.

In other dollar markets, the Canadian dollar firmed up despite poor commodity prices.

Some analysts said the loonie's strength was the result of good fundamentals and a reduced reliance on commodities.

However, rumours circulated in the market that the Canadian currency's strength may stir its central bank to cut interest rates.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Country, Bid, Ask, Change on day, Bid/ask spread, Day's bid/ask, One month, Three months, Six months, One year, JP Morgan bid/ask.

WORLD INTEREST RATES

Table with columns: Country, One month, Three months, Six months, One year, Libor, Lend, Bid, Rep.

INTERNATIONAL CURRENCY RATES

Table with columns: Currency, Bid, Ask, Change, High, Low, Est. vol, Open bid.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Country, Bid, Ask, Change on day, Bid/ask spread, Day's bid/ask, One month, Three months, Six months, One year, Bank of England bid/ask.

EURO SPOT FORWARD AGAINST THE EURO

Table with columns: Country, Bid, Ask, Change on day, Bid/ask spread, Day's bid/ask, One month, Three months, Six months, One year, Bank of England bid/ask.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Table with columns: Country, Bid, Ask, Change, High, Low, Est. vol, Open bid.

PHILADELPHIA DE 2005 OPTIONS

Table with columns: Strike, Call, Put, Change, High, Low, Est. vol, Open bid.

UK INTEREST RATES

LONDON MONEY RATES

Table with columns: Instrument, Bid, Ask, Change, High, Low, Est. vol, Open bid.

THREE MONTH STERLING FUTURES

Table with columns: Bid, Ask, Change, High, Low, Est. vol, Open bid.

EURO SPOT FORWARD AGAINST THE EURO

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EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Bid, Ask, Change, High, Low, Est. vol, Open bid.

PHILADELPHIA DE 2005 OPTIONS

Table with columns: Strike, Call, Put, Change, High, Low, Est. vol, Open bid.

OTHER CURRENCIES

Table with columns: Currency, Bid, Ask, Change, High, Low, Est. vol, Open bid.

UK INTEREST RATES

LONDON MONEY RATES

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BASE LENDING RATES

Table with columns: Institution, Bid, Ask, Change, High, Low, Est. vol, Open bid.

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UNIT TRUSTS

WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR:

Table listing top performing unit trusts over a 1-year period, including Fidelity American, Stone & Proprietor Korea, and others.

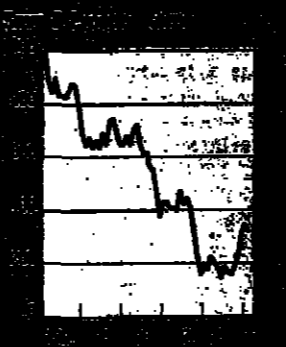
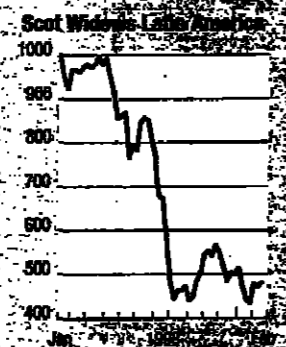


Table of indices for various unit trust categories.

Table of UK Growth unit trusts.

Table of UK Growth & Income unit trusts.

Table of UK Smaller Companies unit trusts.

Table of UK Equity Income unit trusts.

Table of UK Equity & Bond Income unit trusts.

Table of UK Fixed Interest unit trusts.

Table of UK Gift unit trusts.

Table of UK Growth unit trusts (continued).

Table of UK Growth & Income unit trusts (continued).

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Table of UK Equity Income unit trusts (continued).

Table of UK Equity & Bond Income unit trusts (continued).

Table of UK Fixed Interest unit trusts (continued).

Table of UK Gift unit trusts (continued).

Table of Far East excc Japan unit trusts.

Table of Far East excc Japan unit trusts (continued).

Table of Far East Inc Japan unit trusts.

Table of Japan unit trusts.

Table of International Equity Income unit trusts.

Table of International Fixed Interest unit trusts.

Table of International Equity & Bond unit trusts.

Table of International Growth unit trusts.

Table of Property unit trusts.

Table of Investment Trust Units unit trusts.

Table of Fund of Funds unit trusts.

Table of Split - Capital unit trusts.

Table of Split - Inc & Residual Cap Shares unit trusts.

Table of Split - Income unit trusts.

Table of Split - Zero Dividend unit trusts.

Table of Closed End Funds unit trusts.

Table of Open-Ended Investment Company Launches.

INVESTMENT TRUSTS

WINNERS AND LOSERS

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Table listing top performing investment trusts over a 1-year period.

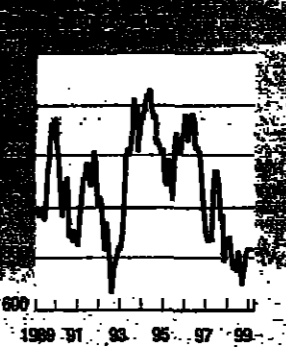
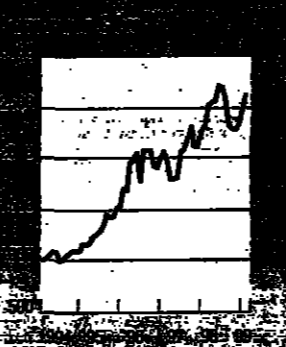
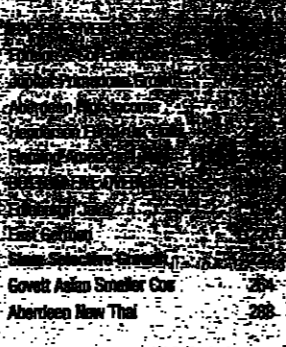
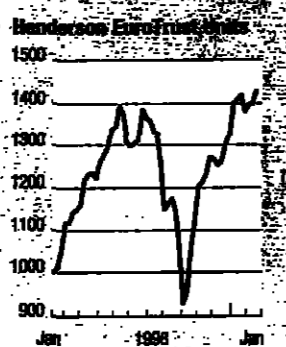


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Table of Japan investment trusts.

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Table of Far East excc Japan, General investment trusts.

Table of Far East excc Japan, Single Country investment trusts.

Table of Far East excc Japan, General investment trusts (continued).

Table of Far East excc Japan, Single Country investment trusts (continued).

Table of Int Capital Growth investment trusts.

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Table of UK General investment trusts.

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Table of UK Fixed Interest investment trusts (continued).

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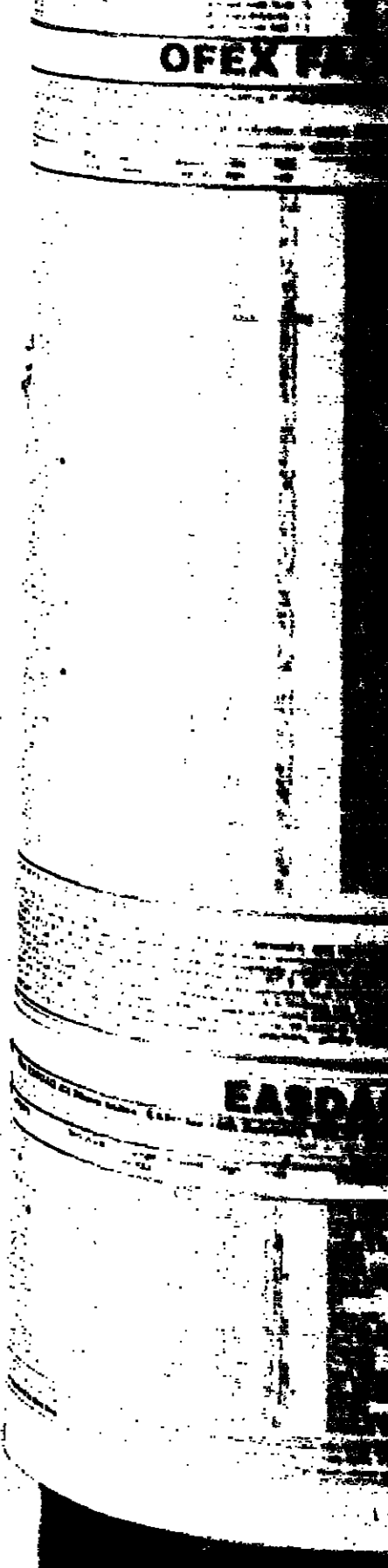
Table of Far East excc Japan, Single Country investment trusts (continued).

UNIT TRUST LAUNCHES

Table listing new unit trust launches with details on manager, sector, and investment strategy.

OPEN-ENDED INVESTMENT COMPANY LAUNCHES

Table listing new open-ended investment company launches with details on manager, sector, and investment strategy.



Johnston

Authorised Investment Funds

FT MANAGED FUNDS SERVICE

AUTHORISED INVESTMENT FUNDS -

Unit Trusts and OEICs (Open-ended investment companies)

For full details see pages 10-11

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Table of investment funds with columns for fund name, type, and performance metrics.

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EASDAQ table showing company names, share prices, and other financial data.

Table of investment funds with columns for fund name, type, and performance metrics.

Guide to pricing of Authorised Investment Funds. Compiled with the assistance of AUIF SS. All funds within this section, whether OEICs or unit trusts are authorised in the UK by the Financial Services Authority.

FT MANAGED FUNDS SERVICE

Authorised and Insurances

FT Cytel Ltd Trust Prices are available over the telephone. Call the FT Cytel Help Desk on 044 171 873 4276 for more details.

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Table of FT Managed Funds Service, columns include Fund Name, Type, and various performance metrics.

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PAUL SMITH LONDON TRAVEL SUIT advertisement featuring a suit image and store address: 40-42 BOULEVARD DES FILLES DU CALVAIRE, PARIS 17.

Table of FT Managed Funds Service, columns include Fund Name, Type, and various performance metrics.

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Insurances, Money Markets and Other

FT MANAGED FUNDS SERVICE

FT Chyles Unit Trust Prices are available over the telephone. Call the FT Chyles Help Desk on (44 171) 825 4271 for more details.

Main table containing financial data for various insurance and fund companies, including columns for company names, fund names, and numerical values.

MANAGEMENT SERVICES

Money Market Trust Funds

Money Market Bank Accounts

© 1999 FT. Some contractual rates of interest payable, not taking account of the date of the issue of the prospectus...

FT MANAGED FUNDS SERVICE

Offshore Funds

FT Offshore Fund Prices are available over the telephone. Call the FT Offshore Help Desk on (44 171) 672 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (FSA RECOGNISED)

Table listing offshore funds under Bermuda (FSA Recognised) with columns for fund name, price, and other details.

BERMUDA (REGULATED)**

Table listing offshore funds under Bermuda (Regulated) with columns for fund name, price, and other details.

CAYMAN ISLANDS (REGULATED)**

Table listing offshore funds under Cayman Islands (Regulated) with columns for fund name, price, and other details.

Table listing offshore funds under Guernsey (FSA Recognised) with columns for fund name, price, and other details.

Table listing offshore funds under Guernsey (Regulated)** with columns for fund name, price, and other details.

Table listing offshore funds under Ireland (FSA Recognised) with columns for fund name, price, and other details.

Table listing offshore funds under Jersey (FSA Recognised) with columns for fund name, price, and other details.

Table listing offshore funds under Isle of Man (FSA Recognised) with columns for fund name, price, and other details.

Table listing offshore funds under Isle of Man (Regulated)** with columns for fund name, price, and other details.

Table listing offshore funds under Jersey (FSA Recognised) with columns for fund name, price, and other details.

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Small text block providing additional details for the US Dollar Account advertisement.

Table listing offshore funds under Ireland (FSA Recognised) with columns for fund name, price, and other details.

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Handwritten note: 2/20/99

Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

FT Online Unit Trust Prices are available over the telephone. Call the FT Online Help Desk on (44 171) 822 4273 for more details.

Main table containing financial data for various offshore funds and insurances. It is organized into columns by jurisdiction: JERSEY (REGULATED), LUXEMBOURG (PSA RECOGNISED), and LUXEMBOURG (REGULATED). Each entry includes fund names, performance metrics, and other financial details.

OFFSHORE INSURANCES

Table listing offshore insurance companies and their details, including names and financial information.

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

FT Managed Fund Prices are available over the weekend. Call the FT Managed Fund Desk on (444 377) 479 4000 for more details.

Table of fund prices under the heading 'OTHER OFFSHORE FUNDS'. Columns include fund names, prices, and changes.

Table of fund prices under the heading 'OTHER OFFSHORE FUNDS'. Columns include fund names, prices, and changes.

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MANAGED FUNDS NOTES. Prices are in US dollars unless otherwise stated. Prices are as at 12.00 noon on the day of publication. Prices of funds are shown in US dollars unless otherwise stated. Prices are shown in US dollars unless otherwise stated. Prices are shown in US dollars unless otherwise stated.



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LONDON STOCK EXCHANGE

Leaders still pressured but midcaps prosper

MARKETS REPORT

By Steve Thompson, UK Stock Market Editor

Blue chip stocks struggled to make progress yesterday, as the run of well-received results from the banks, which has been such a positive influence on London's equity market, came to an end.

TRADING VOLUME IN MAJOR STOCKS

Table with columns: TSE, Change, Day's Change, Volume, etc. Lists major stocks like ASAC, BHP, BT, etc.

FT 30 INDEX

Table showing FT 30 Index performance: Feb 19, Feb 18, Feb 17, Feb 16, Feb 15, 1 yr ago, High, Low.

FTSE Actuaries Share Indices

Table showing FTSE Actuaries Share Indices for various sectors like Resources, Chemicals, etc.

Hourly movements

Table showing hourly movements for FTSE 100, FTSE 250, FTSE 350, etc.

The flotation price was reduced by Warburg Dillon Read from an indicated range of 155p to 175p down to 135p.

EQUITY FUTURES AND OPTIONS TRADING

Table showing Equity Futures and Options Trading for FTSE 100 and FTSE 250.

FTSE LEADERS & LAGGARDS

Table showing FTSE Leaders & Laggards for various sectors.

The UK Series

Table showing The UK Series for various economic indicators.

Outside the leaders, the rest of the market enjoyed a relatively comfortable session. The FTSE 250 never looked like relinquishing good early gains and settled 19.3 higher at 5,173.1.

Abbey ends upbeat run for banks

The run of excitement in the banking sector ebbed to a halt as Abbey National released its figures and the shares fell 85 to £12.00.

RISES AND FALLS

Table showing Rises and Falls for various sectors.

NEW 52 WEEK HIGHS AND LOWS

Table showing New 52 Week Highs and Lows for various stocks.

RIGHTS OFFERS

Table showing Rights Offers for various companies.

weighting of large cap stocks in the wide-ranging index. Many dealers expressed anxiety over London's lack of enthusiasm in recent weeks.

STOCK MARKET TRADING DATA

Table showing Stock Market Trading Data for various sectors.

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Table showing Stock Market Trading Data for various sectors.

turnover was 1.05bn shares by the 6pm count. Saudi Arabia to cover a 1988 shortfall from the contract.

MAIN MOVERS

Table showing Main Movers for FTSE 350.

STOCK MARKET TRADING DATA

Table showing Stock Market Trading Data for various sectors.

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Table showing Stock Market Trading Data for various sectors.

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Table showing Stock Market Trading Data for various sectors.

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Advertisement for 'This window open.' with contact information for banking and finance appointments.



LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES	CONSTRUCTION - Continued	ENGINEERING - Continued	FOOD PRODUCERS - Continued	INVESTMENT TRUSTS	INVESTMENT TRUSTS - Continued
ALCOHOLIC BEVERAGES	CONSTRUCTION - Continued	ENGINEERING - Continued	FOOD PRODUCERS - Continued	INVESTMENT TRUSTS	INVESTMENT TRUSTS - Continued
BANKS, RETAIL	DISTRIBUTORS	GAS DISTRIBUTION	HEALTH CARE		
BREWERS, PUBS & REST	DIVERSIFIED INDUSTRIALS	HEALTH CARE - Continued	HOUSEHOLD GOODS & TEXT		
BUILDING MATS. & MERCHANTS	ELECTRICITY	ENGINEERING, VEHICLES	EXTRACTIVE INDUSTRIES		
CHEMICALS	ELECTRONIC & ELECTRICAL EQPT	INSURANCE	FOOD PRODUCERS		
CONSTRUCTION	ENGINEERING				

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LONDON SHARE SERVICE

OTHER INVESTMENT TRUSTS	MEIA - Confined	PROPERTY - Confined	SUPPORT SERVICES	TRANSPORT - Confined	AIM - Confined
INVESTMENT COMPANIES	OIL EXPLORATION & PRODUCTION			WATER	
	OIL INTEGRATED			AMERICANS	
	OTHER FINANCIAL			CANADIANS	
				SOUTH AFRICANS	

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LEISURE & HOTELS	PAPER, PACKAGING & PRINTING	PROPERTY - Confined	SUPPORT SERVICES - Confined	TRADED INDEX SECURITIES	AIM
LIFE ASSURANCE	PHARMACEUTICALS	RETAILERS, FOOD	TELECOMMUNICATIONS	Alternative Investment Market	AIM
MEDIA	TREASURY	RETAILERS, FOOD	TOBACCO		
	TELEPHONY		TRANSPORT		

GUIDE TO LONDON SHARE SERVICE

Please read the following information for the London Share Service as outlined by the FT 100 Index. The information is based on the data used for the FT 100 Index.

Company classifications are based on those used for the FT 100 Index. The FT 100 Index is based on the FT 100 Index and is published by the FT 100 Index.

Trading hours are from 9.00 am to 4.00 pm on weekdays. The FT 100 Index is published daily at 4.00 pm on weekdays.

When there are changes to the FT 100 Index, the FT 100 Index will be updated. The FT 100 Index is published daily at 4.00 pm on weekdays.

Prices are shown in pence unless otherwise stated. The FT 100 Index is published daily at 4.00 pm on weekdays.

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FT Free Annual Reports Club

You can obtain the current annual reports of any company listed on the FT 100 Index. The FT 100 Index is published daily at 4.00 pm on weekdays.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share prices page for details.

The FT web site

Instant share prices are available throughout the trading day with a 20 minute delay from our web site, <http://www.ft.com>, which also has the closing share prices printed on these pages.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES Feb 19 / US\$

Table of US stock market data including S&P 500, Dow Jones, and various sector indices with columns for High, Low, and Change.

EUROPE (NON-EMU)

UNITED KINGDOM Feb 19 / £

Table of UK stock market data including FTSE 100 and various sector indices.

EUROPE (EMU) Prices in €

FRANCE Feb 19 / €

Table of European stock market data for France, Germany, Italy, Spain, and others.

AFRICA

SOUTH AFRICA Feb 19 / Rand

Table of African stock market data including JSE Top 100.

PACIFIC

JAPAN Feb 19 / Yen

Table of Pacific stock market data including Nikkei 225.

US INDICES

New York Feb 19 / US\$

Detailed table of US market indices including S&P 500, Dow Jones, and various sector indices.

INDEX FUTURES

Mar 00 (MATW) (MEX) 200 x Index

Table of index futures data for various markets.

Rockwell advertisement featuring an image of a person and text: 'With Rockwell Collins Communication systems for two-way phone calls, e-mails and faxes, airline passengers do not have to miss important calls.'

chips and the chips in Wall Street

burg hit by rand

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WORLD STOCK MARKETS

Techs and blue chips lift Wall Street

AMERICAS

A rebound in US technology stocks helped drive an early rally in the US stock market, writes Tracy Corrigan in New York.

After a noon, technology-driven Nasdaq composite index was up nearly 30 or 1.33 per cent at 2,300.41. But dealers said volume was low following recent volatility. Blue chip stocks also performed well, pushing the Dow Jones Industrial Average 56.70 higher at 9,394.33. Leading gains included American Express, up 2.24 at \$104.45 and McDonald's, up 2.24 at \$94.45.

Shares in Newport News Shipbuilding climbed dramatically by 4.44 to 33.24 after the company received an unsolicited bid from defence contractor General Dynamics. General Dynamics fell 1.14 to \$59.44.

However, there were doubts about whether the deal would be approved by the US authorities. Newport has recently announced a stock-for-stock deal with Avondale Industries, another shipbuilder.

Elsewhere, Ticketmaster, which recently came to the market with an initial public offering, got a fillip from

news that movie producer Steven Spielberg had acquired a 5.8 per cent stake in the company, still majority owned by USA Networks. Ticketmaster stock rose 2.24 to \$94.45.

TORONTO picked up at midsession, led higher by a strong performance in the metals and banking sectors. The TSX-300 composite index was 41.45 higher at 6,456.50 in volume of almost 82m shares.

In the metals group, Alcan Aluminium put on 90 cents to C\$35.40 and Falconbridge was 40 cents higher at C\$15.25.

SAO PAULO was slightly higher at midsession with the market still in quiet holiday mood after the carnival break earlier in the week. The Bovespa index was trading 106 or 1.2 per cent higher to 5,967.

Trade was supported by a stable Real, which opened at R\$1.93 to the dollar. MEXICO CITY was trading 0.9 per cent higher in the steps of Wall Street. The IPC index was up 36.10 to 4,148.76 at midsession, recovering from an early fall after a mixed opening in New York.

Jo'burg hit by rand

SOUTH AFRICA

Johannesburg gave up early gains as the rand weakened to its lows for the month, setting short a rally inspired by the well received pre-election budget.

The overall index finished 26.1 weaker at 5,871.1. Industrial shed 36.3 to 6,682.5 and gold ticked just 0.9 softer to 892.9.

Swiss Life slides after UBS sells 25% stake

EUROPE

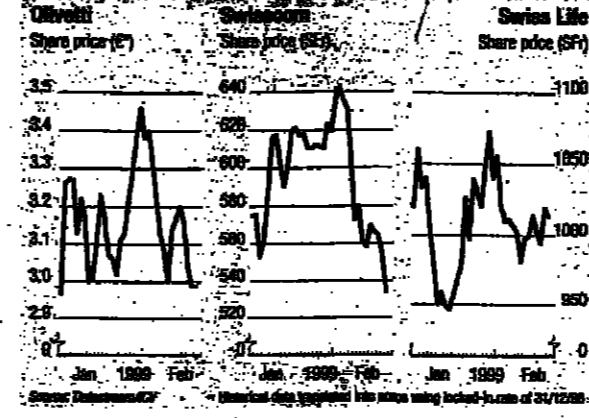
News that UBS was selling its 25 per cent stake in Swiss Life to institutional investors sent the insurer crashing more than 7 per cent in ZURICH. The shares fell SF78 to SF940 as the deal raised concerns about Swiss Life's prospects without the benefit of a strong partner.

UBS eased SF74 to SF746, although analysts said the deal would provide the bank with extra cash to fund growth. Most other financials closed weaker after early gains. CS Group fell SF28 to SF298 and Zurich Allied lost SF28 to SF767.

The broad market followed a similar path, turning weak in afternoon trading. The SMI index finished 88.9 lower at 6,942.7.

Swisscom, the telecoms carrier, gave up another SF15 to close at SF750, although Lehmann Brothers, which said it expected positive results from the group for 1998, raised its year end price target to SF760.

FRANKFURT took flight as the euro's fresh lows against the dollar. Usually a



Swiss Life shares price (SF) from Jan 1998 to Feb 1999. Source: Bloomberg.

strong US currency lifts German equities, but yesterday the Xetra Dax index slid 47.86 or 1 per cent at 4,523.26. Selected blue chips came in for steady selling. Deutsche Bank shed 11.19 to 47.26, Allianz 6.78 at 427.10 and Volkswagen at 422.10. Firm features took in Mannesmann, up 63.10 to 420.60, and Thyssen which rose 4.90 to 427.90 on news of a rise for flat steel prices.

AMSTERDAM experienced volatility at Wessanen which surged almost 10 per cent in early trading, rising to 611.90 on speculation that the foods group was set to announce links with a sector rival. A subsequent denial from Wessanen took some of the heat out of the situation, and the stock closed up 15 cents at 611.

Unilever gained 1.1 at 665.10 ahead of next Tuesday's results statement and Alzco Nobel improved 45 cents to 636 in advance of figures due on Monday. Asgion, which unveiled a \$9.7bn US takeover on Thursday, eased 80 cents to 686.50 on profit-taking in

sector index adding 2.8 per cent. Harvey Norman rose 4.19 to 415.90 and Woolworths added 10 cents at 495.55. The All Ordinaries index ended 41.8 higher at 3,924.2.

Tokyo falls ahead of G7 meeting

ASIA PACIFIC

Stocks in Tokyo closed down as the yen weakened and concerns rose that Japanese companies would unwind cross shareholdings before the end of the fiscal year, writes Alexandra Nussbaum in Tokyo.

The benchmark Nikkei 225 Average fell 0.34 per cent or 48.75 to close at 14,098 after trading between 14,045 and 14,179. The capitalisation-weighted Nikkei 300 fell 0.10 to close at 218.63. The Toxip index of all first section shares was down 0.77 at 1,094.5. Volume was heavy with 402m shares traded.

The yen slipped to Y120 against the dollar in advance of this weekend's meeting of the G7 nations, where Japan is expected to face pressure to stabilise the yen and ease monetary policy.

Y3 or 0.8 per cent to Y378. Honda Motor climbed Y10 or 0.23 per cent to Y4,310 after Thursday's announcement that third quarter net profit would be up nearly 20 per cent.

Sony climbed Y260 to Y8,100, its first move above Y9,000 since December 8, 1998. And TDK rose Y270 to Y8,500 after falling for four days. Mitsukoshi, the Japanese department store, rose Y4 or 1.34 per cent to Y303 after Thursday's announcement that it would cut staff and reduce interest-bearing debt.

NSK, the ball bearing manufacturer, climbed Y10 or 1.97 per cent to Y515 on expectations that it will shift some production overseas. In Osaka, the OSE rose 20 to 14,110.

MILAN saw Olivetti

sorting 6.5 per cent on speculation that it was plotting a \$770m takeover of Telecom Italia.

After climbing more than 5 per cent early in the day, Olivetti jumped 26 cents at 63.25 when the group called a board meeting for tomorrow to discuss what it termed a "significant, strategic, financial operation".

BNP was also strong, up 4.40 to 474.50 as traders thought it could play a pivotal role in the privatisation of Credit Lyonnais.

Paris, down a hefty 6.40 to 620.10, and Societe Generale, down 1.80 to 431.80, succumbed to doubts about the merits of their merger.

Other stocks pared some of their losses as investors returned to grab bargains in late trading. Samsung Electronics closed Won1,700 lower to Won84,500, off a Won81,900 low.

HONG KONG fell prey to futures-related selling and firmer interest rates which hit some bank and property stocks as investors returned from the three day Chinese New Year holiday.

Telecom Italia put on 21

cents to 63.25. HELSINKI posted a comfortable 1.7 per cent gain, with the Hex index up 98.57 to 6,978.52.

A surge in heavyweight Nokia up 42.30 to 417.50, lifted the market.

Written and edited by Michael Morgan, Jeffrey Brown, Bernard Bensch and Michael Scott.

FTSE Actuaries Share Indices

Table with columns: Index Name, Euro Index, Day's % change, Yield, and Total return. Includes indices like FTSE Europe 300, FTSE Europe 100, FTSE Europe 500, etc.

LONDON STOCK EXCHANGE - DEALINGS

Large table listing various stock deals with columns for company name, price, and volume. Includes entries like BAA PLC, British Airways, and various financial institutions.

COMPANIES & FINANCE

NEWS DIGEST

BANKING

SG Private Banking cuts Nassau staff

SG Private Banking, part of France's Société Générale, has made a fifth of its staff in Nassau redundant less than six months after buying the former Coutts Bahamas business from National Westminster Bank for about \$100m (£81.3m).

RETAILERS

Green has 90% of Sears

Philip Green, the retail entrepreneur, yesterday won 90 per cent control of Sears, enabling him to take the ailing retailer private. Mr Green's bid vehicle January Investments (JIL), which is backed by finance from the Barclay brothers, said last night that its 359p share cash offer, valuing the company at £2.46bn, had been accepted by holders of 93.5 per cent of the shares.

SUPPORT SERVICES

Sage German arm in link

The German subsidiary of Sage, the software group, has forged a strategic alliance with Intershop Communications, an electronic commerce software developer and distributor.

The companies have agreed to develop and market integrated software solutions for small and medium sized companies that want to expand their e-commerce activities.

Intershop, set up in 1992 with headquarters in San Francisco and Hamburg, listed on Frankfurt's Neuer Markt stock exchange last year. Caroline Daniel

PROPERTY

E&O shares up 31% on approach

Shares in English & Overseas Properties jumped more than 31 per cent yesterday after the group said it had received a takeover approach.

Jim Clark, E&O chief executive, said if agreement with the bidder was reached, the offer price would be announced in about three weeks. Shares in the property company rose 18½p to 79p, capitalising it at £26.3m.

Mr Clark added: "Due diligence is under way. If negotiations are successful, we expect the offer price would be at a significant premium to Thursday's close of 60½p but not necessarily as high as net asset value of about 100p a share." E&O has turned in a patchy performance since it was floated in 1988. Michelle Joubert

HOUSEBUILDING

NPC two emerge as Tay holders

The two founders of National Parking Corporation, Sir Donald Gosling and Ron Hobson, have emerged as owners of a 5 per cent shareholding in Tay Homes, the Leeds-based housebuilder.

The pair are understood to have backed this week's attempt by Sunley Family Holdings to dislodge the Tay board at an extraordinary meeting. The move was narrowly defeated when 50.8 per cent of the votes were cast in support of the board.

Sir Donald and Mr Hobson shared £580m last year when they sold National Parking Corporation, the company they founded to convert wartime bomb sites into car parks, to Candant, the US consumer and business services company. Charles Pretzlik

LEISURE ISSUE FOR BOOKMAKER IS ONE AND HALF TIMES SUBSCRIBED AFTER PRICE WAS LOWERED TO 135P

Investors back a cut-price William Hill

By Elizabeth Robinson

William Hill, the UK bookmaker being floated by Nomura, the Japanese bank, has salvaged its institutional offer after cutting the price at the last moment.

The offer, which closed at 5pm yesterday, is understood to be more than one and a half times subscribed.

On Thursday, the offer price was lowered to 135p, well below the indicative price range of 155p-175p.

Warburg Dillon Read, the issue's lead manager, reduced the price after failing to attract sufficient institutional interest.

"We've got the right price now - we're nicely covered," said David Freud, Warburg managing director.

Warburg claimed the price was lowered because of a downturn in demand for all but initial public offerings and mid-cap stocks.

One analyst agreed, saying: "You don't have to go for these things on day one."

investors was doubled from 10 per cent to 20 per cent.

Of the 800m total shares on offer, small investors have applied for 120m.

One analyst said that the cut in the offer price meant that there could be room for the shares to open at a premium when they start trading on March 1.

The final pricing and allocations will be announced on Monday. In spite of the last-minute

orders, however, the price is expected to remain at 135p.

At this price, the UK's second largest bookmaker will be capitalised at £465m, valuing the company, which has £375m debt, at just under £300m.

Nomura bought William Hill for £730m in 1997 from Brent Walker.

William Hill's 1,500 betting shops put it in second place after Ladbroke. The offer prospectus

Wheel of fortune spins in favour of gamblers in provinces

Casino operators have found capital gains are no longer enough and have headed further afield, writes Elizabeth Robinson

James Bond has a lot to answer for. The UK casino market has tried for many years to distance itself from a retro image of high-rolling spangled glamour, but many in the industry concede that the public perception of what goes on around the roulette wheel is stuck in the 70s.

True, London's 21 casinos still attract the big spenders, but provincial gaming tables - and there are more than 1,100 of them - are more likely to be surrounded by young locals with about £100 worth of chips.

Ladbroke's move last week to buy Stakis saw one of London's main casino operators seeking to gain a substantial chunk of the regional market, giving it 21 provincial sites to add to its four in London. Peter George, Ladbroke chief executive, said: "I never thought we would get into the provincial casino market."

Until recently there was little need to. But the impact of the Asian financial turmoil revealed just how exposed London's casinos were to problems in overseas economies, with last year's "drop" - the amount of money exchanged for chips - down about 10 per cent.

Provincial casinos, in contrast, have provided steady and solid growth. Although

largely in the hands of three operators: Stanley Leisure, Rank and Stakis, Stakis in particular has been trying to appeal to a broader clientele by upgrading its restaurants and bars to create more of a "night out".

Stanley Leisure, managing director of its casino operations, said that although gaming would always be the core source of casino income, lessons learnt from the company's Riverboat in Glasgow, which opened three years ago, would be applied to other sites.

"The food operations in Riverboat initially lost money, but now we have turned that around," he said. He expects food and drink at the Leeds casino, which opens next week, to break even from the start.

David Boden, managing director of Rank's Grosvenor casinos, has also seen strong growth in the provincial market. When Rank moved its Southampton casino to a leisure park, flanked by night clubs and restaurants, the growth in membership was huge, he said.

However, any growth will be contained by regulation - the legislation governing it has not been updated since 1988.

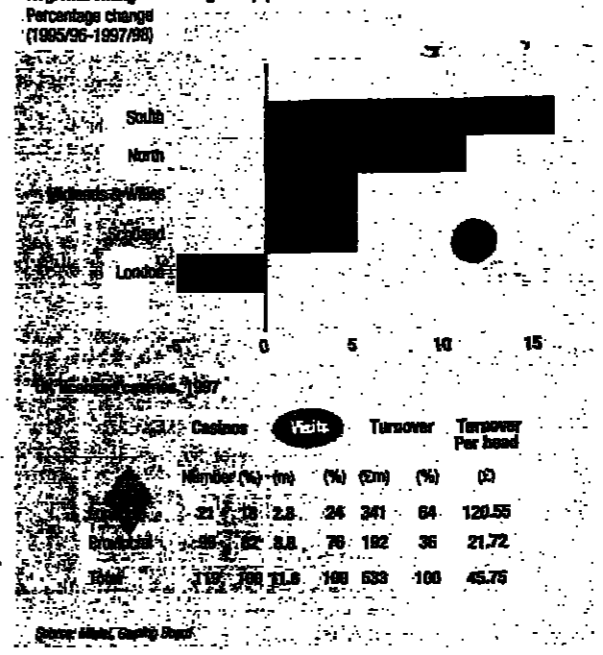
Apart from London, only 32 cities and towns are specified as "permitted areas" for

Turning the tables

Casino market shares, 1997



Regional change in average drop per visit



Alchemy close to Goldsmiths bid

By Peggy Hollinger

Alchemy, the venture capital group, is close to finalising an offer of about £42m for Goldsmiths, the jewellery chain which disappointed the market with a downbeat Christmas trading statement last month.

It is understood that Alchemy has clinched the final elements of a financing package and that a cash bid of between 170p and 180p a share - valuing the group at between £41m and £43m - is expected within the next week.

The offer has been delayed for several weeks by bankers' reluctance to back a bid in the depressed retail sector.

Goldsmiths said yesterday that as far as it was concerned there was no offer on the table. Alchemy refused to comment.

The jewellery chain disclosed in December that it was in preliminary talks with a potential bidder. At the time its shares rose strongly from 112p to 164p. Yesterday they were unchanged at 148½p.

Jurek Piasecki, chairman and chief executive, led a management buy-out of Goldsmiths from Oriflame in 1987. He owns 14 per cent of the group and is thought to be keen to take the company private, given the low valuation of its shares since it floated in 1980.

Jarvis Porter chairman may bid for group

By Charles Pretzlik

Paul Jarvis, chairman of Jarvis Porter, the labels and packaging group, is considering making a bid to take the group private.

He is one of several potential bidders to have made indicative offers for the business. NatWest Equity Partners and Royal Bank of Scotland are understood to be willing to back him if he decides to make a formal offer.

At last night's closing share price of 103½p, down 3½p, Jarvis Porter is valued at £68.5m - about a third less than its value two years ago. The largest shareholder is Fidelity Group, with 12.5 per cent. Banque Paribas owns 10.3 per cent.

Mr Jarvis, 59, has been with the group for more than 30 years and became chairman in 1982. He owns 4.5m shares in the group, giving him a 9.8 per cent stake. He is expected to decide next week whether to bid.

The Leeds-based group has been under pressure since the announcement of worse-than-expected half-year profits in November. Pre-tax profits in the six months to August 31 dropped 43 per cent to £4m on a 3 per cent fall in sales to £46.7m amid what Mr Jarvis called "some of our toughest ever trading".

Mr Brewster's successor, Hugh Donaldson, promised a thorough review of the group's businesses.

Abbey National hit by rising mortgage arrears

By Christopher Brown-Humes

Abbey National, the UK's second biggest mortgage lender, disappointed the market yesterday with news of increasing mortgage arrears and rising provisions for consumer lending. Its shares fell 89p to £12.51 as it became the first bank to fail to produce a positive surprise in the current reporting season.

Pre-tax profits rose 19 per cent to £1.52bn (£2.47bn) in line with expectations. Income rose 13 per cent to £2.1bn, outpacing a 10 per cent rise in costs to £1.28bn.

But the figures were overshadowed by a 66 per cent jump in bad debt provisions from £121m to £801m. This included a £44m jump to £26m in the residential property charge - including £42m taken in the second half. There was also a rise in finance house provisions from £49m to £83m, which cut profits in this division by 10 per cent to £120m.

Mortgage arrears rose across all classes of customer, with the number of borrowers who were six

months or more behind with payments rising from 14,700 to 17,100.

One analyst said: "Abbey's arrears experience is now close to the industry average. Historically it was always better. There's evidence to suggest they have competed on risk."

But Mark Pain, finance director, said: "We compete on price and service. We don't compete on risk. The provision reflects lower monthly payments caused by falling interest rates. By definition this pushes cases further into arrears."

He said the increased consumer credit provisions showed the group "backed hard and tackled early".

Abbey increased its share of net mortgage lending from 4.3 to 5.9 per cent - although this was well below its 13.6 per cent share of existing UK mortgages. It widened its retail mortgage spread - the difference between average lending rates and average savings rates - from 1.99 to 2.1 per cent, helped by falling interest rates. But analysts expressed concerns about

Vanguard seeks drug approval

By Charles Pretzlik

Vanguard Medica, the biotechnology group, has applied for European approval of its new migraine drug just weeks after submitting it to regulatory authorities in the US, writes Dan Bilefsky.

Earlier this month, Vanguard became only the second UK biotechnology company to seek US regulatory approval for a drug when it submitted frovatriptan, a migraine tablet, for approval by the US Food and Drug Administration. The migraine market has trebled to \$3bn (£1.6bn) in the US over the past five years.

Vanguard has submitted its European marketing application to the French regulatory body, which will determine if the drug can be used in the rest of Europe.

If approval is granted, frovatriptan - whose US brand name is Migard - will be up against products from groups such as Merck of the US and Glaxo Wellcome and Zeneca of the UK.

Vanguard said it was in talks with potential partners for marketing frovatriptan in Europe.

Table with financial data including turnover, pre-tax profit, EPS, and dividends for various companies.

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Table with columns for Turnover, Pre-tax profit, EPS, Current dividend, Date of payment, Dividends corresponding dividend, Total for year, Total last year.

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. *After exceptional charge. †After exceptional profit. ‡On increased capital. §Comprising of 1.2p interim and 1.15p special. *Includes Foreign Income Dividend element. †Non stock. ‡Includes 2nd quarterly dividend of 11p.

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COMPANIES & FINANCE

Toshiba expects record losses

By Alexandra Nishimura in Tokyo

Toshiba yesterday announced it had suffered record losses, with its first loss at the parent level since 1961.

The electronics manufacturer estimated it had made a net loss of ¥20bn (\$167m) at the parent level for the year ending March 31 1999, against previous estimates of ¥12bn and last year's profit of ¥35bn.

The company last posted a loss at group level in 1976. It said the consolidated net loss could reach ¥17bn this year against previous estimates of zero net income and last year's profit of ¥7.3bn.

Toshiba also revised sales forecasts down 2.7 per cent at the consolidated level from ¥5,500bn to ¥5,350bn. Consolidated pre-tax profit before exceptional items, previously estimated at ¥200bn, is expected to remain unchanged.

The appreciation of the yen lowered profits by about ¥10bn, according to Katsuke Ohmori, group manager of corporate communications at Toshiba.

The company had estimated an exchange rate of ¥130 against the dollar for the second half, but the actual rate for that period was closer to ¥121, he said.

However, Toshiba benefited from an upturn in D-Ram pricing for semiconductor products from \$8 to \$10 in the second half of the year which offset the exchange rate losses, said Mr Ohmori.

Along with NEC's declaration of ¥150bn losses yesterday, Toshiba's performance reinforced analysts' view that the failure to restructure had eroded the competitiveness of big Japanese electronics companies, including Hitachi, Fujitsu and Mitsubishi Electric, against their US competitors.

Toshiba stock closed down ¥1 to ¥714.

OIL INDUSTRY 1,500 JOBS TO GO IN COST-CUTTING PROGRAMME AFTER WORST RESULTS FOR A DECADE

Statoil profit slump forces revamp

By Valeria Skold in Oslo

Statoil, Norway's largest company, yesterday unveiled a multi-billion kroner restructuring programme after reporting its worst results in a decade.

Statoil's net profit last year fell from Nkr4.5bn to Nkr2.7bn (\$34.8m) after Nkr4bn in write-downs and provisions from losses on rig contracts and the value of its oil fields, falls in oil prices and higher than expected exploration costs.

Revenues at state-owned Statoil fell 14 per cent from Nkr124.7bn to Nkr108.7bn.

Harald Norvik, chief executive, said the results were very weak. "We must adapt to the new reality. The industry must, and Statoil must."

Its poor results follow sharp falls in profitability reported this week by Norway's two other oil companies, Norsk Hydro and Saga Petroleum, which also launched similar cost-cutting programmes.

Statoil said it would shed 1,500 full-time jobs out of a worldwide staff of about 13,000 by the year 2000.

As part of its sweeping restructuring, Statoil plans to reduce operating costs by 10 per cent, or Nkr1bn, by 2000, cut investments by up to 80 per cent to Nkr15bn this year, and trim exploration costs by 30 per cent to Nkr2.7bn by 2000.

The company expects to further reduce its Nkr15bn investment level to about Nkr14bn after Nkr1bn in planned divestments. The measures aim to achieve a 10 per cent return on capital employed, based on an oil price of \$12 a barrel.

As part of a plan to free up Nkr4bn in capital, Statoil is to create a joint venture with ICA/Asakon Gruppen, the Norwegian-Swedish retailing group, whereby the two parties will jointly own and operate 1,500 Scandinavian service stations.

Statoil expects to realise between Nkr1 and Nkr2bn from the move once the deal is signed in the spring, Mr Norvik said.

In a radical move, Statoil is also considering cutting its holdings in oil transport company Navion and seeking partners for its methanol operations. This is a sign that the government has been forced to relax its hold over the Norwegian energy sector because of low oil prices and falling profitability.

As part of the restructuring, Statoil said it would create a new organisation combining its 16 business areas into five.

It is also considering selling its 20 per cent stake in Saga Petroleum, Norway's third largest oil company. This could open the way for a possible takeover of Norway's only privately held oil company.

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NEWS DIGEST

SECURITY SERVICES

Securitas shares suspended on takeover expectations

Shares in Securitas, Europe's largest security services group, were yesterday suspended amid expectations that the Swedish group could be close to a significant US acquisition. People close to the company said it was engaged in a US transaction, but declined to comment further.

INTERNET TRADING

Merrill buys DE Shaw unit

Merrill Lynch yesterday agreed to buy DE Shaw Financial Technology, a developer of internet technology for financial institutions, and said it would start offering internet trading to some private clients in the next few weeks.

SHIPBUILDING

Bid lifts Newport News shares

Shares of Newport News Shipbuilding, the second largest builder of large ships for the US Navy, leapt more than 84 in morning trading yesterday as investors reacted to General Dynamics' unsolicited \$2bn bid. By lunchtime, Newport's stock was trading at \$32 1/2. The company said on Thursday it had received a bid proposal from General Dynamics of \$38.50 a share.

Electrolux sees future in fewer, stronger brands

The Swedish domestic appliances group is moving towards common product platforms, reports Tim Burt

In showrooms from Karachi to Kansas City, thousands of customers seeking new refrigerators, washing machines or vacuum cleaners will today buy products labelled Frigidaire, Kelvinator, AEG or Zanussi.

They might even end up with a Tricity Bendix machine, or possibly something from White Westinghouse. But whatever brand they take home, the chances are that it will be produced by Electrolux, the Swedish white goods group.

From its headquarters on an ice-bound quayside in Stockholm, Electrolux has expanded rapidly over the past 70 years to become the world's largest household appliance company - boasting more than 40 different brands and 15,000 different product variants.

In Europe alone, it sells 6,500 different types of ovens. That is about to change. This week Michael Treschow, Electrolux chief executive, announced plans to streamline the group's brand portfolio and move towards common product platforms.

The move signals the latest stage of an aggressive restructuring in the two years since Mr Treschow succeeded Leif Johansson,

who left Electrolux to become chief executive of Volvo. Since then, about 12,000 job losses have been announced, while 25 plants and 50 warehouses have been earmarked for closure.

Leif Johansson wanted to create the global company that was not focused on profitability," says Roland Jonsson, an analyst at Deutsche Bank in Stockholm. "Michael will not grow this business unless it is profitable."

Mr Treschow declines to criticise his predecessor directly. "When I arrived my mission was to make this company stable and profitable, it was the talk of the town," he says.

Electrolux demonstrated the benefits of the Treschow treatment this week by announcing pre-tax profit up from SKr1.38bn to SKr5.93bn (\$745m) in 1998, on sales up modestly from SKr118bn to SKr117bn.

The chief executive, moreover, believes the full benefits of the restructuring will be evident only next year. "Once we see the results clearly, then we can move on to the next part of our life - that means more focus on customers and retailers."



Better housekeeping for Electrolux

portfolio towards common platforms and fewer brands. The benefit to the company will be through greatly reduced purchasing and production costs, and the gradual withdrawal of weaker brands in some markets.

By the end of the exercise, that could mean shrinking the number of brands from more than 40 to a dozen or so. On the product side, there will be core platforms in refrigerators and ovens, with customers able to

choose particular accessories or features in different markets.

In theory, the strategy looks sensible enough. But it could prove difficult to put into practice. When US rival Whirlpool tried to introduce a world washer last year, the response from European consumers was mixed. Customers tend to like features peculiar to certain brands.

Electrolux is determined not to alienate such customers, but the process may not

be entirely within its control. It is the large retail chains that, in most countries, decide which brands or product categories sell best and which to withdraw, not the manufacturer.

Also, retail history suggests it is easier to move to single platforms and fewer brands in homogeneous markets such as the US rather than in Europe.

Industry analysts also question where the top line growth is going to come from, once Electrolux has refocused itself around fewer, stronger brands and core platforms. "It may be more profitable, but the sales could be pretty sedentary," said one Stockholm analyst. "That is worrying over the longer term."

Mr Treschow regards changing volumes as a vice. For him profit is king, as long as the customer is satisfied with the product. "We are looking at what consumers want. But we will prune the product lines," he says.

"Something might look nice in the showroom but how can we ensure its profitability in different markets? That is what we are addressing."

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Table with columns for Regional Markets, FTSE Actuaries World Indices, and S&P Actuaries World Indices. It lists various countries and their corresponding index values and changes.

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FTSE GOLD MINES INDEX

Table showing FTSE Gold Mines Index data, including Gold Mines Index, Gold Price, and various other metrics.

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FM WEEKEND

FEBRUARY 20 / FEBRUARY 21 1999



Beverly Hills pets

'As in the case of the Dalmatians, films work can attract undesirable publicity and encourage disorderly breeding'



Flights of fashion

'The British invaders swooped into New York this week and made a splash. Audiences whooped'



Poison pie

'Started in 1939, the Okeene rattlesnake roundup is the granddaddy of all rattler festivals'

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The last bandit king

John Lloyd examines the plight of Romania's miners and their arrested leader, Miron Cozma

It is a scene from Gerneral. Naked save their underpants, miners' helmet and boots, 30 men stoop in a gallery 5ft high and pick and scrape at coal, shovelling it with jerky, irritable movements on to a squealing metal belt which winds endlessly by them. The coal seam slopes steeply upwards and thus so does the gallery; entering it - by ladders of silted-over wood or metal, like wet ice beneath rubber boots - you see only little illuminated parts of the miners stretching up and away into what seems like a vast distance, as the beams of their bat-lamps bob about, now settling on an arm muscle tensed to heave a shovel, now on a filthy back wet with sweat, now on a streaming face set taut beneath the helmet brim. Machines cannot get at the seam, they say - so at intervals they drill holes in the coal, set charges, retreat down the ladders, detonate and then climb up again. They work as they have done for nearly a century and a half. They would seem to be twice doomed, these men. Once, obviously, by a life of grinding daily toil, chances of ill health heightened by heavy smoking and drinking. Second, because these are the miners of the Jiu Valley, in Romania, and Romania cannot afford them - it has been told so by the International Monetary Fund. They have to give up and get out; find something else to do which drains the state's budget less. But they have resisted getting out. For they have had a leader who fought to protect them against the end - and in protecting them (or claiming to), for eight years, posed the fragile Romanian state with its deepest challenge. He is part bandit; part charismatic, who could beckon to a hardened miner and have him come running to his side; part trade union boss who seemed to hold a better hand than the authorities; part revolutionary, who, last month, forced the Romanian prime minister, Radu Vasile, to come to him as he marched with his miners on the country's capital, Bucharest. In a medieval monastery they signed a treaty, as if between two rival states, which withdrew government intentions to shut two mine complexes. He is Miron Cozma, president of the League of Miners' Unions of Jiu, the last man in Europe wielding raw workers' power. Until Wednesday, that is. For, having left his mountain hide-away this week to lead another march on Bucharest, he was arrested. You would not recognise him as the standard proletarian leader. In his mid-40s, he looks - in a country where men and women age before other more leisured Europeans - much younger. He wears loose three-piece suits and boldly patterned ties and a big, expensive watch.

Petre Roman was prime minister then. Now he is leader of the Senate and of the Democratic party and becomes passionate as he recalls events: "I was about to announce internal convertibility of the currency (lei); this and other moves would have cemented the reforms. Its enemies knew this and brought the miners to Bucharest. They were led by Cozma, and Cozma saw himself as above the law. The ruling coalition was divided. President (Ion) Iliescu (who, through a leading communist, had led the push against Nicolae Ceausescu in 1989) could have faced it down, but he chose to force me to resign. From then until now, reform did not happen in Romania." Did this mean that one man had held reform captive? "Well, more than one man, of course, a complex of things, including Iliescu's reluctance to reform, the power of the old structures, the lack of understanding of what had to be done. But one man was both a reality and a symbol of the status." The question now facing the Romanian political class is: will Cozma's arrest clear the path for the economic reforms for which the election as president in 1997 of Emil Constantinescu - a university professor with a beard and glasses - appeared to be a mandate. His governments have committed themselves to privatisation, a tight budget and a reduced deficit. The 1999 budget is now being fought through parliament line by line, its overall spending dictated by the

need to meet IMF conditions. If the budget falls - and ministers are rebelling publicly at its harshness - the Fund will fund no more, and Romania could default on \$3bn loan repayments. As in 1991, reform looks serious and Cozma's action this week was undertaken for the same strategic reasons as then - to halt it. But has it been halted? It trembles in the balance. Constantinescu's government - riven with disagreements, leary of the pain of

these gendarmes' minds? Why should I fight? Am I doing well out of this? And in the officers' minds - if I order a charge and break some heads, will I be blamed and in trouble if the regime changes, as the generals were who obeyed Ceausescu before he fell? Magureanu says the state typically cannot count on the loyalty of the military, police and intelligence services because their leadership, haunted by a memory of allegiance to communism, fear to commit themselves to a new leadership which might be unstable. They are reluctant to take on workers from whose ranks they are drawn. Thus the post-communist powers are obliged to negotiate, compromise, shift this way and that. As in the former Soviet Union, arbitrary and corrupt government gives any demagogue the widest selection of targets and the perfect exculpation. Cozma has a number of criminal charges against him - including allegations of beating up a policeman and a photographer. But it was for "undermining the state's authority" that he was finally arrested on Monday - with a sentence of 18 years already handed out by an appeal court. When he was reminded of the charges against him at a press conference he gave while in the Valley last week, he rounded on the questioner with a kind of savage delight: "Who will sentence me? The minister of justice who selects the judges to get the sentence he wants? The interior minister who will shoot us? The ministers from whom everything can be bought? Justice can be bought in Romania - why should I submit myself to it?" Those questions will be tested as Cozma begins his sentence. The miners' reaction to the arrest of their leader is now crucial - as is that of the political opposition in Bucharest. Cozma's all-encompassing cynicism is matched by the attitude of the main opposition party, the Social Democrats, many of them former senior communists, still under the leadership of Ion Iliescu. One of his senior colleagues, Ioan Mircea Pascu - who chairs the parliament's security committee - lam-

estates the government for not compromising with the miners sooner and makes light of any threat to the state. And he goes further: he says the budget now going through parliament was "dictated by the IMF - and who now thinks the IMF has the answer? Name me one success the IMF can claim." This is the deeper danger of Cozma and his miners. They are operating in a state which, like Russia and most other states of the former Soviet Union, has had little success in its economic transition. What reform and privatisation there has been created a nouveau riche class, which is as brazen and arrogant as any in the post-communist world. The fastest growing party in the country is the extreme right Greater Romania party, led by a ranting if funny demagogue named Vadim Tudor - whose poll ratings of 18 per cent owe much to his denunciations of the corrupt new class. Though political and media freedoms are real and seem embedded, it shares with other states in east-central Europe the steadily more uncomfortable feeling of being caught between two blocs - a west which will accept it neither into Nato nor the European Union, and an east which becomes steadily more menacing. Andrei Plesu, the dissident art historian and essayist who is now foreign minister, makes - without prompting - the link with Romania's central domestic problem: "If our country had been accepted into Nato, such a movement as the miners would not have been possible in the way it is. "The status of being a Nato or an EU member gives the political class confidence. It locates them where we wish to be - in the west. Not having it gives us the aura of failures." Cozma's strength came from knowing that the state wants rid of the miners, will do almost anything to be so - and that there is nothing else for them to do. Before his arrest, I asked Cozma if he thought the Romanian coal industry would go into near oblivion, as have the Belgian, British and French. "There are the same tendencies," he says, "but the

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PERSPECTIVES



Colette Meade and Jeton: the Belgian Ardennes gelding has a low centre of gravity which helps when hauling timber

The Nature of Things

Fresh light on the vision thing

Our retinas retain and process information crucial to our biological survival, says Andrew Derrington

How does your brain enable you to see? Recordings from the brains of animals have allowed neuroscientists to piece together an account of how brain processes isolate attributes of an image, such as colour, shape and movement. We may soon get more direct information about how these processes work in humans.

Like a camera, the eye forms an image of whatever lies in front of it, on the retina. A light-sensitive outgrowth of the brain that lines the back of the eyeball. But the similarity with cameras, designed to record and play back faithful images, ends almost immediately. The brain is not concerned with faithful representation but with meaning. It processes images to extract significant information.

Selection is crucial for information-processing. In the brain, selection operates at every level. When you scan share prices in the FT you select those relevant to your financial survival. Your retina selects information needed to answer the questions of biological survival - "Can I eat this? Can I mate with it? Can I catch it? Will it catch me?"

For this reason the retina selects and emphasises: colour which indicates the ripeness of fruit and, in some species, the availability of mates; rapid changes in brightness which can be processed to reveal movement; and localised differences in brightness, which allow us to separate an object from its background and analyse its shape and location. Gradual variations in brightness, which tell us little of survival value, are discarded.

The art of information-processing is to bring together what are initially separate pieces of data so that the combination tells us something new. A supermarket might combine a customer address list with information about purchasing histories to send a promotional mail-

shot for a new cat food to rich people who have bought cat food in the past.

The brain uses the same approach. It works in stages to extract increasingly complex information. It starts with an instant moment-by-moment record of how much light is caught by individual receptors, each of which catches the light from a tiny patch of the retinal image. Local bright and dark spots can be extracted from the image by subtracting from each receptor the average signal collected by the receptors that surround it.

Colour vision exploits the fact that there are three kinds of receptor which differ in the efficiency with which they catch different colours of light (red, green and blue). The individual receptors do not signal the

colour of light; high activity in a red-sensitive receptor occurs both when the light that falls on it is bright, and when it is red.

In order to preserve colour and discard brightness information the retina subtracts from the red-sensitive receptor the signal of neighbouring green-sensitive receptors. This produces a red, and does not confuse colour with brightness. The same logic is used in the retina to produce neurons that signal green, blue and yellow.

We know that both these processes happen in the retina because the neurons that transmit from the eye into the brain are activated by patches of colour (especially red, green, blue or yellow) or by local differences in brightness - a dark spot

surrounded by a bright background or vice versa. At later stages of visual processing, neurons select more complex shapes.

These include recognisable features of visual patterns, such as lines, edges and corners. Thus the different neurons carry information which could be combined to produce recognisable representations of everyday objects. Other neurons select different directions of motion, more specific colours, or objects at particular distances.

This detailed information about visual processing comes from recording the electrical activity of neurons in the brains of animals. It is an article of faith for neuroscientists that the electrical signals in neurons generate what we see, and that our responses to those of similar responses to those of animals. I once caused a colleague to believe the laboratory lights were flickering because I accidentally passed a weak electric current through his eyeball. Evidently the change in activity induced in the neurons in his retina was similar to that which occurs when lights flicker.

It may soon be possible to get much clearer information about visual processing in the human retina. Last week Austin Rooraa and David Williams of the Center for Visual Science at Rochester, New York, published the first pictures of different types of receptor in the central part of the living human retina.

These showed that the pattern and the relative numbers of the different colour-sensitive receptors differ from eye to eye. By comparing how eyes with known receptor distributions perform in different visual tasks it will be possible to infer how the individual receptor signals are processed. The eyes will become the window of the brain.

The author is professor of psychology at the University of Nottingham.

Minding Your Own Business

Logging on in the woods

Tom Linton meets forestry workers struggling against imports

Making a living in forestry has been a struggle lately for Phil Wilcox and Colette Meade. So much cheap imported timber has flooded the market that many in the industry claim to be worse off than Britain's embattled farmers.

Even so, Wilcox and Meade do not regret their decision nearly two years ago to become partners in a horse-logging business in Devon. They belong to a small handful of foresters who use horses to extract timber from pockets of woodland ill-suited to being worked by heavy machinery.

"In most instances, we can't claim to compete with machinery, but on certain sites it is very advantageous to use horses, or to combine their use with machinery," Wilcox, a former army commando, says. "Though tractors cut up the land and compact it, we are happy to use them where practical. But I would say that 70 per cent of our work uses horses."

The two formed their partnership in 1997 after working together for three years. They discovered they had complementary skills and functioned well as a team.

"Usually we buy stands of timber [groups of growing trees] which we thin or clear fall according to the contract. We make our money by selling on what we extract," Wilcox says. "The problem at the moment is that the former Warsaw Pact countries have huge natural resources of timber they are desperate to exploit for hard currency. They sell it far cheaper than other European countries can produce from managed forests."

"Also we are not paid until after the timber has been on a mill's weighbridge. We have timber worth £5,000-£8,000 lying on rides [minor roadways in the forest] waiting to go to the mill. That hits cashflow."

"The price may rise but we may have to sell it for what we can get. While it is lying around it is losing weight and, therefore, value. We can't buy more standing timber until the money comes in, although we have three stands waiting to be worked."

But Wilcox and Meade believe that they will survive. To some extent they rely on contracts where they are paid a day rate, usually £250, by owners intending to sell the timber themselves. Though many of these contracts are drying up because owners have delayed felling until prices rise, Fountain Forestry, an international woodland management company, has offered them work which should keep them going for several months.

The partners occasionally resort to using their skills as hedge-layers and stone-wallers. Meade also has a flexible arrangement during thin times whereby she works in a friend's removal business for two days a week. The work is hard but the money is good.

They have two heavy horses, Rosie and Jeton (named after a French telephone token). Shorter and stockier than Shires, the continental horses' lower centre of gravity makes them better-suited for forestry work.

Rosie, a Dutch draught mare, is 15 and will soon have to be put out to grass. To replace her would cost about £2,000 in Britain. Instead, they intend to buy a trained animal from Belgium for about £1,200. Jeton, a Belgian Ardennes gelding weighing nearly a tonne, is five.

Wilcox and Meade, both 37, decided to introduce horses into the business after a landowner stipulated they could not use heavy machinery. Horses are also cheaper to buy and maintain than machinery.

The partnership has reached its

overdraft limit of £8,500, which they used to buy standing timber. Last year, they tried without success to obtain a bank loan to buy a horse. Recently, however, Working Woodlands, a charity based at Totnes, granted them £4,000 of European funding to be put towards buying horses and equipment.

Seven years ago, Meade sought a grant to study forestry after her husband left her to bring up eight-year-old twins on her own. But she was deemed to be too old at 32 to qualify for one.

"I decided I was not going to sit idly by relying on benefits and took a course in stone-walling - which was run by Phil," she says.

Wilcox told her that if she could gain qualifications in chainsaw competence from the Agricultural Training Board he could probably find her some forestry work. She was quick to respond. He soon started using her as a cutter on felling contracts. "She worked harder than any trainee and did things properly," he says.

They work mainly in the West Country but are prepared to travel if a contract is worth it. A supportive family allows Meade to work unusual hours.

In 1997, they failed to make a

profit on turnover of £22,000. In the present financial year they expect to bring in £35,000-£40,000. The year before they joined forces they made about £14,000 between them.

Their overheads are low. Insurance, at £700 a year, transport and maintenance are the biggest costs. They hire a cattle truck to transport their animals to jobs and tractors are hired on site from Fountain Forestry.

"They have specialist machinery which is well-maintained," Wilcox says. "They are really efficient and deliver the machinery with a driver to the site. We simply pay about £2-£4 a tonne to have the timber moved."

The cost of feeding the horses is minimal. During a five-week contract to cut and extract 190 tonnes of timber at Westonbirt Arboretum in Gloucestershire, where grazing was provided free, horse feed cost about £50. "You can spend a lot more than that on filling a tractor over five weeks," Wilcox adds.

They recently spent a week in Belgium studying continental forestry methods with grants of £900 each from the Leonardo Da Vinci Fund. "We learnt a lot - how to save seconds on every aspect of the job," Meade says. "The seconds soon add up and we reckon to have increased our efficiency by about 30 per cent as a result."

"We are building up a reputation for efficiency and for not causing damage to the ground and surrounding trees. Getting started in the business and being taken seriously was a painful phase, but now people are beginning to offer us better stands of timber because they realise we can do the job."

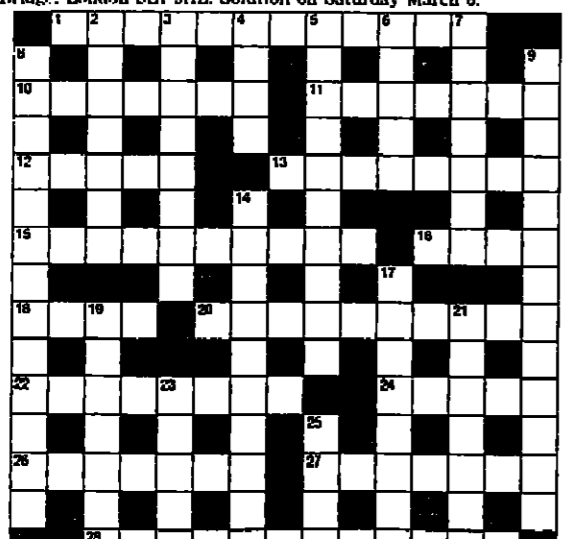
■ Wilcox & Meade Forestry, 4 Southbrook Road, Bovey Tracey, Devon TQ13 9YZ. Tel: 01628-835673 or 01803-770134; mobile: 0535-277 433; email: pdwilcox@aol.com



CROSSWORD

No. 9,919 Set by CINEPHILE

The prize of a matching set of finely engraved personalised envelopes, envelopes and correspondence cards on Eru Kid Finish Paper from Crane & Co will be awarded for the first three correct solutions opened. Solutions by Wednesday March 3, marked crossword 9,919 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday March 6.



Name: _____
Address: _____

WINNERS 9,907: E.W. Davies, Amersham, Bucks; Sue Gorman, Kew, Surrey; D. Rice, Ballina, Ireland.

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BRIDGE

Why do all the world's experts - almost without exception - play Roman Key-Card Blackwood? Simply, it is far more accurate and powerful than normal Blackwood. Last week, we examined the initial responses to the 4NT inquiry; this week, North-South require the special trump queen inquiry to bid their grand slam.

N
AK1095
AJ5
AQJ7
2

W E
32 876
Q98 6432
864 103
K10986 QJ53

S
QJ4
K107
K952
A74

Dealer: N All vulnerable

North East South West
1S NB 2D NB
4D NB 4NT NB
5C NB 5H NB
5S NB 7D

Following trump agreement, South launched into Roman Key-Card Blackwood. North responded 5C showing 0 or 3 key-cards - and South knew

CHESS

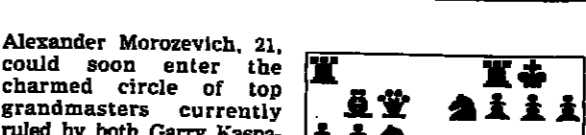
Alexander Morozevich, 21, could soon enter the charmed circle of top grandmasters currently ruled by both Garry Kasparov and Vishy Anand.

The young Russian champion is up to No 5 in the world after several clear-cut tournament wins, and his creative style, based on off-beat openings, is very different from the computer-aided systems favoured by Kasparov and Co.

The question is whether Morozevich, a dreamer who could not knot a tie when he first appeared on the scene, can match the strong nerves that enable Kasparov and Anand to raise their game at critical moments.

Here he chooses an out-moded defence, sacrifices material to catch the white queen in a corner, and ends with a neat tactic (E Sutovsky v A Morozevich).

1 e4 e6 2 d4 d5 3 Nc3 Nf6 4 Bg5 dxe4 5 Nxe4 Be7 6 Bxf6 gxf6 7 Nf3 a6 8 Qd3 b5 9 Qh6 Bb7 10 Bd3 Nd7 11 Ng3 f5 12 Nh5 Bf8 13 Qe3 Nf6 14 Qe5 Nxd5 15 Qxd3 Bxd3 16 gxf3 Nf6 17 Rg1 Qxd4 18 Rg8 Ke7 19 Kf1 Rg7 20 Qxg7 Rxd8 21 Qh6 Qxb2 22 Re1 Qc3 23 Qh4 c5 24 Bd1 e4 25 Bx5 Qx3 26 Qd4 Nd5 27 Resigns. If 27 Be4 Ne3+ 38 Qx3 Qxd1+ 29 Qe1 Rg1+ wins.



No 1271

Joseph Blackburne v J Harley, Manchester 1862. Large, bearded and jovial, Blackburne was the WG Grace of chess in the Victorian era. The British No 1 was hugely popular at local clubs as he wisecracked round the room during exhibitions; he could play a dozen games blindfold, and had a wonderful flair for tactics and sacrifices.

Here Blackburne (White, to move) has given his amateur opponent a queen start, but has created a fierce attack on the black king.

Though Black's d5 pawn forks knight and bishop, the grandmaster had everything under control and his next turn launched a fine finish.

Solution, Page XVIII

Leonard Barden

Handwritten signature or mark in a box.

BOOKS

From its title, *WiredLife* sounds like one of those technological-utopianist tracts that have been so popular ever since the internet went mainstream: books that explain how personal interaction will be changed for ever by the advent of digital networks, virtual reality, online chat rooms, and so on.

Why the quality of wisdom is non-digital

Tom Standaage explains that human brain, unlike brawn, cannot be replaced by machines

Dertouzos (*What Will Be*), Esther Dyson (*Release 2.0*) or Bill Gates (*The Road Ahead*), this sceptical counterblast comes as a breath of fresh air. But Jonscher is no Luddite. He is as much a believer in the power of technology as Negroponte, Kaku and friends; he merely disagrees about the extent to which it is capable of effecting social change.

everyday lives tend to be overstated. Most importantly, he outlines the distinction between raw data and useful knowledge, and makes the point that while computers are very good at handling vast quantities of data (billing records, account details, and so on) it is still the case that only humans can process knowledge - and that human brains, unlike human brawn, cannot be replaced by machines.

when it comes to the hard part - the actual thinking - it is no help at all. This explains why equipping white-collar workers with computers has failed to deliver the productivity gains of equipping blue-collar workers with industrial machinery.

Furthermore, much of the middle section of the book - which contains potted histories of communication, computing, the internet, and so on - feels like filler. It's hard to escape the feeling that Jonscher's argument would have worked much better as a 5,000-word essay than a 50,000-word book, not least because it soon becomes repetitive.

WIREDLIFE: Who Are We in the Digital Age?

by Charles Jonscher

Bantam Press £14.99, 293 pages

physical capabilities. But computers do not do the same for the brain; they may be able to calculate quickly, but writing a letter or a report with a computer is no easier than with paper, pen or dictaphone.

From here to nowhere

The author of 'The Thin Red Line' was once a famous name. Who remembers James Jones now? asks Martin Mulligan

The *Thin Red Line*, which opens in the UK on March 3, is billed everywhere as Terrence Malick's film, a box-office art movie that cost \$55m to make, with a stellar cast including John Travolta, Nick Nolte, Sean Penn, George Clooney and others.

James Jones dined out on the Pearl Harbor episode for the rest of his life

Sound magazine. But in all the fanfare about Malick, a celebrated if costly director re-emerging with his first film since *Days of Heaven* 20 years ago, the other man behind *The Thin Red Line* has been overlooked.

Limited Edition Signed Copies Tales from Ovid by Ted Hughes Published by Faber & Faber £250

Winner of the Whitbread Book of the Year, *Tales from Ovid* is a collection of 24 poems taken from the *Metamorphoses*. Hughes rescues the Gods and Goddesses from classical dictionaries and gives back their majesty and terror in his pungent and distinctively Northern take on the original Mediterranean epic.

It was not until his death last year that poet Laureate, Ted Hughes, gained the recognition and acclaim he had long deserved. *Tales from Ovid* is one of his greatest works and only 300 copies of this special edition were printed.

The FT Bookshop has a limited number available, each one signed by the author, dated and enclosed in a slip-case. [Insured delivery UK £4.60 Europe £37.50 ROW £45.75]

FINANCIAL TIMES No FT, no comment.



James Jones: 'I'm not writing for PhDs at Harvard... I'm the last of the proletarian novelists'

Macho havoc was mandatory, off the page as much as on it. It was a time of bog-whimpering, knee-walking drunkenness and fist fights at East Village parties. No wonder that Jones eventually profited from his commercial success by taking himself off with his beautiful wife to live on the Isle de la Cité in Paris for much of the rest of his life.

Although Jones continued to write, his reputation never again reached the level of his first novel, and after his death in 1977 he quickly fell into obscurity. Nowadays critical opinions vary. Jones has been castigated as a barely literate American primitive, accused of everything from sexist stereotyping to a disdain for grammar. Yet his strengths redeem him: no one writes more convincingly or subversively about army life - the international corporatism of his era - from the inside. And he kept to the very end his hard mental independence and

appetite for experience. All these characteristics are amply demonstrated in Jones' *The Thin Red Line*, from its painstaking opening depiction of troop transports arriving at Guadalcanal in the grey dawn, hundreds of men in their holds waiting to be unloaded like so much cargo, to the appallingly prosaic descriptions of hand-to-hand fighting. Jones' style is at times abstrusely awkward, a *Lumpen* process in combat fatigues. Prose realism would be perhaps a fairer description: a method of wild masonry by which detail is piled upon detail until a structure emerges, not unlike an army bivouac going up on a hill in Guadalcanal. Jones had his scruples about writing "entertainments" inspired by war, noting in a letter that "writing has to keep evolving into deeper honesty, like everything else".

are attempts to reevaluate James Jones as an important American writer. It is a measure of the obscurity into which he has fallen that Harold Bloom, academic *magister ludi* and Yale's arbiter of literary reputations, fails to give *House of Bones* to Jones in *The Western Canon*, his pantheon of US writers emeritus (though Norman Mailer finds a place).

That is a shame. No one who writes as well as Jones at his best should spend forever in the wilderness. Take, for example, his brave if flawed novel of the war

Musings of a mad monk

Don't be tempted to shout 'Eureka!' warns Ben Rogers

Here is a thought: "False beliefs and discoveries... (sometimes) lead to the discovery of something true." If you had had this perception one morning lying in the bath, would you have jumped from the suds, screaming "Eureka!"? Probably not. It is not a positively embarrassing thought - it is not cruel or sentimental - and it is clearly not untrue.

SERENDIPITIES: Language and Lunacy by Umberto Eco. translated by William Weaver Weidenfeld & Nicolson £12.99, 130 pages

It is just a little... well, banal. It has something of the ring of "Even bad people have some good qualities". But what if you could offer some illustrations? Here, of course, it would depend on what they were. You might consider Columbus. Didn't he sail westwards thinking that he would hit the Indies and thus accidentally discover America? Well, again, if you had this thought, you wouldn't feel ashamed - but you would have to admit, it is pretty trite.

What about the story of how a belief in the philosopher's stone stimulated nascent chemistry? A bit unwieldy. Or what about Praeter John, who, it was believed in the 12th century, ruled a vast Christian Empire beyond the Moslem territories. Perhaps it would be possible to trace a root from this false belief through to the Nazi's irrational conviction that the Jews were conspiring to take over the world. But that connection sounds pretty far-fetched and, anyway, is hardly to the point. In short, you would probably decide that these things are best left to the intellectuals.

And indeed, intellectuals have made something of our original bathroom thought. Karl Popper, after all, re-described the history of science as a process of conjecture and refutation; knowledge, he argued, develops through the invention and rejection of false theories. In his hands, a thesis about what Eco calls the "force of falsity" became something extraordinarily enlightening. Umberto Eco, however, does not quite scale such heights. He is a deeply learned man and was once a serious scholar, but *Serendipities* suggests that he has lost all interest in serious thought.

Ecce's delight in arcane questions - for instance, when Adam named "every beast of the field and every fowl of the air," did he name fish as well? - and obscure theorists - like those 7th-century Gaelic grammarians who argued that Irish was a perfect Adamic language whose structure reflected that of the Tower of Babel - recall the ablutition-time musings of a mad monk. Just occasionally he says something funny or at least suggestive - scholars might be interested in his conjectures about Dante's debt to the 13th-century Jewish scholar, Abulafia, for example - but more often he is a bore.

This is a book, or rather a collection of essays dressed up as a book, that really should not have been published. An aimless, lazily written study of the unexpected effects, both good and bad, of false beliefs, it would never have found a publisher or a translator if it were not by the author of *The Name of the Rose*.

Fiction/Jeremy Gavron Low-life fantasy

Reading Hero of the Underworld (Serpent's Tail £9.99, 216 pages). It is tempting to ask why Jimmy Boyle, who wrote of brutality and incarceration with such stark power in his autobiographical books, *A Sense of Freedom* and *The Pain of Confinement*, should want to return to the same territory as black comedy. Perhaps there were ghosts that still needed to be exorcised, or perhaps he simply watched other Scottish writers with less direct experience succeeding with tales of low-life and thought he'd have a go. Whatever the reason, this is a disconcerting first novel.

It tells the story of John Alexander Ferguson, aka Hero, imprisoned as a teenager for a crime he did not commit and held in solitary confinement. One day, after 10 years inside, he is suddenly released to a shared bed in a flea-bitten hostel and a job in a slaughterhouse. Impotent and incontinent, bullied and confused, he almost wishes he was back

inside, until the liberation of a condemned bull from the abattoir offers a glimpse of redemption. The story has a fabulous air. The town has no name. The part prison, part psychiatric unit is known only as The Institution. The dockland he frequents is the Shore. The characters are all freaks and grotesques. Hero's bedmate, Bonecrusher, is a lobotomised dwarf in love with a blow-up doll. His girlfriend is a "whore with a heart of gold" dubbed the Black Widow. This is the Underworld, the nightmare from which Hero has to escape.

His ways of going about this are plotted with manic energy, as crooked landlords, local gangsters, police, the Lord Chief Justice and even Dr Snider from The Institution are vanquished in turn. But for a writer with such original experience of the underworld, too much of the story seems derivative, more *Transposing* and *Tarantula* than *Gorbals* and the cages of Inverness prison.

The strength of *A Sense of Freedom* lay in its bare-knuckle honesty, the sheer shock of the truth. Hero's experiences in The Institution are initially compelling; there is a spine-shivering moment when Hero eats a phlegm-decorated dessert while an eyeball watches him through the spyhole. But as boundaries fall away and any horror becomes possible, the narrative is drained of its dramatic tension. As Hero himself complains, "Trouble is, in here it is impossible to tell fact from fiction."

the intensity of solitary confinement are tantalising. "These periods were so engrossing that large blocks of time... vanished as though into a black hole." And there is a delicately funny moment when Hero, his expectations so reduced, considers his shared bed with Bonecrusher, his miserable job in the slaughterhouse and the attentions of the Black Widow and decides it is "way beyond my wildest dreams".

But such wryness is rare. The comedy is usually merely coarse, and the observations on life are too often banal. One of the extraordinary things about *A Sense of Freedom* was that by its end Boyle had written himself into a position of such moral authority that he could call for a new agenda in Scottish prisons. It is hard to imagine the author of that book writing a sentence as trite as "he had the instincts of a hitman and looked the part, being tall, dark and handsome." In revisiting tragedy as farce, Jimmy Boyle has done himself an injustice.



Jimmy Boyle: autobiography as farce

Available from all good bookshops. The image shows a stack of books with the text 'Available from all good bookshops' written vertically on the side.

דברי חכמה

BOOKS

Scriptures brought to book

Hard fact or a search for identity? A.C. Grayling questions the Bible

If you conduct a search of the internet on the subject of biblical archaeology, one of the first entries you find welcomes you with the claim that "amazing discoveries are being made daily which prove that the Bible is historically accurate and that the Scriptures are the inspired word of God." Most people, whether or not they are religious, accept that much of the Bible is historical, even if it is history glossed from the viewpoint of a particular tribe's uneasy relationship with its God. It is precisely this view that Thomas Thompson contests in his powerful and controversial analysis of the Bible as a collection of literary, philosophical and apologetical works.

Thompson's thesis is that the Old Testament is not a record of Israel's origins and early days, but a later attempt to provide Israel with a history. To construct a history is to construct an identity; the writing of history is in large part an attempt to explain and justify not the past but the present. By examining all the evidence - literary and philosophical as well as historical and archaeological - Thompson shows how deliberately the biblical texts were aimed at fulfilling that task.

The implications are dramatically controversial. One is that there was no United Kingdom of David and Solomon. Another is that the early wanderings in exile of God's chosen is the record of a spiritual not an actual journey. Similarly, Nehemiah opens with Jerusalem in ruins as a figurative way of presenting Israel's need for rebirth. And Thompson demonstrates how the biblical texts are woven out of metaphors, as when the waters of the Red Sea part for Moses, or the Jordan for Joshua, or the Jabok for Jacob; and as when David goes up to pray on the Mount of Olives, as the New Testament writers represent Jesus as doing.

When Thompson first advanced these views 30 years ago, the result was academic ostracism and a stalled career. The standard view then was that because the Bible record is basically sound, archaeological and other textual remains can be explained in terms of it. But a growing weight of evidence calls this premise so far into question that there is now an increasing divergence between biblical studies and theology.

Many scholars have come to agree with Thompson, and on good grounds. For if you seek external evidence to corroborate the biblical texts, extremely little exists for the period of the Bronze and Iron Ages in which the history of Old Israel falls. And when what appears to be evidence is found - for example the Mesha stele referring to "Omri King of Israel" - research shows that the inscription, once interpreted in the light of the Bible rather than vice versa, is far later than its biblical interpretation says it is.

Even more tellingly, there are important events in the record of the region of Palestine on which the Bible is, amazingly, silent. It says nothing about the great droughts that influenced Palestine's history. It is silent about

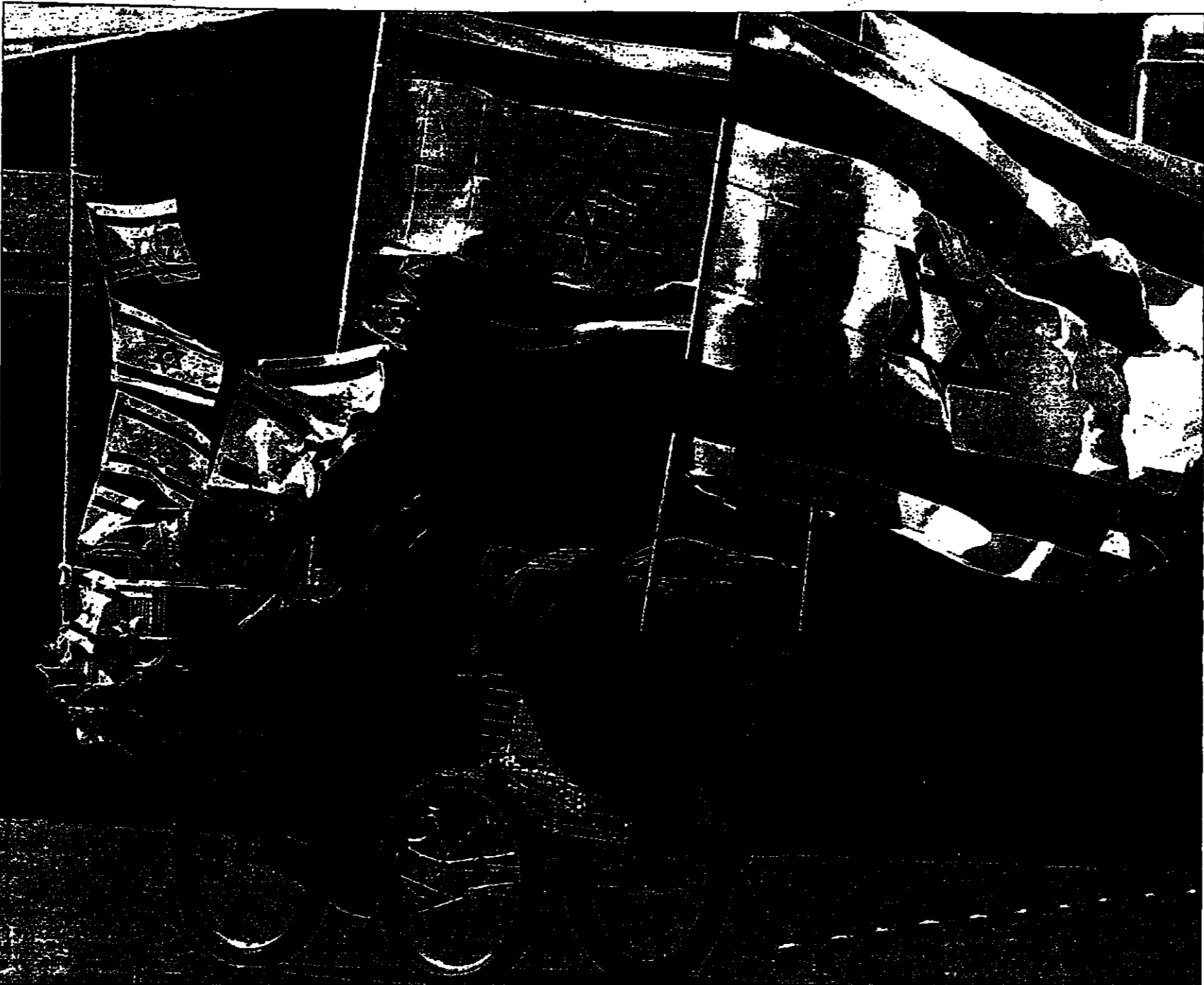
THE BIBLE IN HISTORY: How Writers Create a Past
by Thomas L. Thompson
Jonathan Cape £25, 412 pages

attack on Hazor - the Bible tells us that he slaughtered all its occupants and burned it to the ground. Solomon is said to have built a gate to the city; Thompson shows that the "Solomonic gates" there and in other cities were not after all built by Solomon.

There should be no regrets over these intelligent reappraisals of the Bible's character. The Bible is an extraordinary work of literature: it contains beautiful poetry, epic narrative, angry moralising, celebrations of virtue, and a spiritual history of Israel's quest for a place in the universe. Those who see it primarily as a work of factual history - even if they concede that it is polemical and tendentious in its anxiety to justify God to man, and to coerce the latter into proper observance towards him - miss its higher metaphysical purpose. And that is to give Israel an origin, securely rooted in divine ordinances.

Thompson's account shows how the biblical texts express the period in which they were written. They come from an age of empire building, which suggested to those who lived through it that God should be an emperor too, and should rule over more than just one tribe. And they come from an age in which philosophers thought that a criterion of what is truly real is that it should be transcendent and eternal, not merely temporary, as things in this world are; and this belief changed the very idea of God.

The result is a collection of writings which, although they are not history, have made history. Thompson's argument for this perspective on the Bible is powerfully made and absorbingly written; and, I venture to say, important.



A flag salesman at the 50th anniversary celebrations, 1998: one of the buoyant images in John Wagner's lavishly produced 'Testaments of Israel' (Photo Publishing £45, 174 pages)

Death in the Holy Land

Isabel Hilton on the shocking story of why the search for peace in Israel led to murder

With the renewed uncertainties that hang over the Middle East as a result of the death of King Hussein of Jordan, it's a sobering moment to be reading this book: the sense of lost opportunity is almost too painful. This is a painstaking and detailed account of the conspiracy to murder the man who was Israel's best hope of achieving peace, if only Israel - or a certain part of Israeli religious and political thought - had permitted him to do it.

The assassination, of course, is well known, but the motives for the murder are laid out in shocking detail. They can be summed up briefly - a religious fundamentalism so extreme that it considered any surrender of land, even one that brought the promise of peace, as more than a political mistake: it was a sin against the Holy Land of Israel and a sin that merited death. Add to that the reluctance of more liberal currents of opinion to confront the fundamentalists and defend Rabin, and events rolled forward with a dreadful inexorability.

Yigal Amir, the young man who pulled the trigger on the night of November 4 1995, was no lone gunman. He was part of a mosaic of groups that had coalesced into a movement that campaigned against Yitzhak Rabin's government with a hatred that had never been seen

in the country before. As Rabin tried to order the evacuation of the Hebron settlements in 1995, the fundamentalist rabbis fought back with religious rulings that declared it a 'sin' to obey any order to evacuate.

In the summer of that year, as the terms of the Oslo II agreement were under negotiation, a group of members of the Rabbinical Council for the Land of Israel went further, ruling that the evacuation of Jewish settlements and the transfer of land to non-Jews was prohibited under religious law. It was, in effect, an order from the rabbis to bring the peace process to a halt. Shamir ordered his attorney general to investigate the possibility of charging them with sedition, but no action was taken.

Israel is a country born in violence and defended by violence, but many observers noted in the months leading up to Rabin's death that the atmosphere of violence was unprecedented. Rabin's mistake was to assume that the men who propagated such views were marginal to the political mainstream and perhaps it was an easy mistake to make: secular Israel had lost touch with the fanatical core of religious nationalism.

In the heart of that community, the extremists ruled that Talmudic law permitted the murder of Rabin, invoking the religious principle of *din roday* - the obligation to kill a man judged to be a Jewish traitor. If it was bad

in the US where in New York, the city that was home to the largest Jewish community in the world, only the voice of the radical Orthodox minority was heard on the subject of Yitzhak Rabin and his proposals for peace. There, Rabin was branded a traitor soon after the Oslo accords were signed and a Nazi shortly afterwards. A stream of articles published in Jewish newspapers,

out of all proportion to their numbers. They had discovered the efficacy of the block vote on both sides of the Atlantic and, in many cases, succeeded in electing the candidates of their choice - New York's Mayor Giuliani was one - and keeping them loyal. The fact, then, that 70 per cent of the American Jewish community supported the Oslo accords was drowned out in the din made by its opponents, and Rabin himself, convinced that most American Jews supported him, paid little heed to his enemies.

As the White House and the state department struggled to keep the accords on the road, American Orthodox funds supported demonstrations against the Oslo agreement in Israel and campaigns in the US against Yitzhak Rabin. And as one demonstrator in New York ominously remarked to the Village Voice, "Rabin is worse than Hitler. Hitler was a Jew who killed Jews. Rabin is a Jew who kills Jews. He should be killed."

The young assassin himself had drawn his certainty from this poisonous stream of invective and had been assured of the righteousness of his crime by a rabbi, who told him that Rabin must be killed for his crime of handing land to non-Jews. After that, it was a matter of careful planning and a measure of luck - which Amir, of course, took as a sign of Divine guidance.

More than 400,000 people gath-

ered in Kings of Israel square that night, to thank Rabin for making peace - secular Israel, offering its support. As the rally finished, Rabin was shot. He died an hour and a half later.

It would be encouraging to believe that something was learned from Rabin's death, that the shock provided a catharsis in Israeli society and, eventually, a new unity of purpose. But it would be false. When Amir's girlfriend and co-conspirator was released, she was welcomed in her settlement as a heroine. The rabbi who had encouraged the conspiracy were not touched and, in religious schools all over Israel, children were told by their Orthodox teachers that Rabin had earned his death. Israel was revealed as a country that did not know itself, where secular Jews were shut out from the secrets of Orthodox society. By May 1996, when elections were called, Benjamin Netanyahu, who had been close to facing charges of complicity in the incitement to murder Rabin, became prime minister. The peace process remains stalled: as one of the Labour Party's intellectuals put it: "... we have learned nothing and forgotten nothing; we are in exactly the same place. This nation is not even capable of mourning together."

To order this book at the special price of £9.99 (UK p&p is free), call the FT Bookshop on +44 (0)181 324 5511.

MURDER IN THE NAME OF GOD: The Plot to Kill Yitzhak Rabin
by Michael Karpin and Ina Friedman
Granta Books £13.99, 292 pages

magazines and on the internet accused him of alcoholism, cowardly behaviour in the 1948 War of Independence (Rabin was a war hero), and mental instability.

Both in Israel and in the US, the radical Orthodox communities were punching above their weight. Since the Six Day War, Israeli fundamentalists had been strengthened by the flow of donations and of eager settlers from the US who had strengthened the power and influence of the Israeli ultra-conservatives.

Orthodox believers constitute only 10 per cent of America's six million Jews, and only 20 per cent of the Israeli population, but they wield a political influence

Fiction/Frank Egerton

Gallery of rogues

Howard Norman was both a naturalist and a translator of native American tales before he began his career as a novelist. The close observation of behaviour together with a fine ear for the richness of supposedly everyday language are just two of the skills that make this compassionate exploration of human weakness so impressive.

In *The Museum Guard* (Picador £12.99, 310 pages), the story is beautifully, if at first sight perversely, introduced. Its narrator is the anonymous museum guard, DeFoe Russet,

who not only informs you straight off that he stole one of the paintings, but also delights in giving the precise dimensions of the three galleries. They are minuscule. Then he tells you about the other guard, his raffish, drunken, womanising uncle Edward, and breaks off for a moment from this reprobate's hopeless work record to comment, "By and large, I would say that my uncle was a good museum guard."

DeFoe is one of those quirky, instantly likable ex-avant fools that serve troupesters like Norman so well, and soon a wide variety of affects - comic, sad,

thought-provoking - are ignited in the spaces between the mind-boggling events he describes with his cautious, dead-pan delivery.

Then, as his confidence grows and the other characters become madder, he learns to speak up for the ordinary person's point of view and is suddenly the novel's persuasive moral centre.

His story is set in pre-war Halifax, Nova Scotia, the action shifting between the Grace Museum, the Lord Nelson Hotel where he and the rootless Edward live; the tiny apartment of DeFoe's girlfriend, Imogen Lemmy; and the Jewish cemetery where she looks after. Within these confines the intriguing plot is driven by two related obsessions.

Edward is transfixed by the nightly radio broadcasts of a European journalist based in Europe, Ovid Lamartine. So incensed is Edward by Adolf Hitler's intentions that his sex-life is ruined for the remainder of each evening. Imogen, meanwhile, has been overwhelmed by one of the museum's new paintings,

"Jewess on a Street in Amsterdam". The already troubled Imogen is soon not only dressing like the woman but assuming her identity.

It is not long, either, before fact and fiction, art and radio begin to get even more ingeniously mixed up - with catastrophic and poignant consequences, in an involved plot which is saved from farce only by the brake of DeFoe's narration.

Where once humour emerged, now the technique enables Norman both to point up the wasteful folly of Edgar Connaught, the museum's

curator, and its historian Miss Delbo - whose supposed connoisseurship is useless, not to mention destructive, when it comes to basic human situations - and to explore different relationships between life and art.

Before the last couple of chapters, that is. Then the viewpoint shifts to that of Edgar who is, sadly, something of a bore. DeFoe is almost forgotten; the narrative becomes repetitive and bland. And although this is a clever, witty, delightful and often genuinely moving novel, its ending is a disappointment.

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ARTS

Hockney, California and the Cubists

William Packer reviews three surprising and intriguing exhibitions in Paris

For a foreigner to have three substantial museum shows in Paris, all at once, would be a rare compliment; for an Englishman it must be unprecedented. Yet the French have always had a soft spot for David Hockney, who came to live in Paris for a year or two in the early 1970s, and even then, in 1974 at the age of 37, was given a

What now emerges is that Hockney has been being serious after all, and for a very long time

full retrospective at the Musée des Arts décoratifs. Now, at 62, long-time expatriate and artist of the world that he is, the surprise that Paris should honour him so should be even less. The problem, it seems, rests not with the French but with the British, his countrymen, who have been known to take none-too-kindly to the Star gone Abroad.

Of course he has been a frequent and always welcome visitor to Britain. But our acquaintance with the work has been kept up sporadically. Seen piecemeal, without the broader, establishing context, our inclination has been rather too

often to carp at what appear to be arbitrary, wilful shifts of interest, perfunctory statements, pointless exercises. David Hockney was always so fine a draughtsman, we say, so clever a painter: so why all this fiddling with a camera, this messing about on stage? Why can't he settle properly to his work? Why can't he be serious?

What now emerges is that our David has been being very serious after all, and for a very long time. Thus, while the French have been interested and altogether "sympa" all along, to the British these three intriguing and surprising shows in Paris might actually be important. The correlation between them is remarkable, and my own advice would be to take the two smaller of them first (all three are within an easy walk of each other), for they set out the terms of the debate.

The *Dialogue with Picasso* is in effect the story of a personal enquiry into Cubism and its formal, pictorially liberating possibilities that began when Hockney was still a student at the Royal College, while the review of his photographic work since the late 1960s traces the discovery and development of a personal application of Cubism that has proved as appropriate to painting as to photography. This show, at the Photography Museum, lasts the shorter time, but some such work is also at the Musée Picasso to make the point. And the larger, qualified retrospective at the Pompidou



An early narrative Surrealist landscape: "Rocking Mountains and Tired Indians", 1965, by David Hockney

demonstrates the uses he has been putting it to, one way and another, ever since. If Hockney's interest in Picasso was first engaged by the circus figures and saltimbanques of the Symbolist, pre-Desmoiselles' period of the early 1900s, it was the principle of simultaneity and the multiplicity of viewpoint of the analytical Cubism of Picasso and Braque, developed in the years around 1910, that has proved the lasting, enabling legacy, even though in so much of his work, especially for the theatre, Hockney moved on to the more ebullient and decorative synthetic Cubism of the later 1910s and early '20s. And, as with Picasso again, we now see clearly the extent to

which Hockney has been exploiting the opportunities and possibilities that Cubism affords at every turn. In photographing a chair in the Luxembourg Gardens (1965), he walks round it, looking down at it and taking photographs the while in a continuum of shots, which he then re-assembles as collage - a fractured, refracted image that is as real to the experience as it is conventionally improbable. A huge panoramic painting of the Grand Canyon (1966), made up of 98 separate canvases laid together, has as many distinct vanishing points, one for each, just as, so Hockney says, the viewer himself adjusts his vision in scanning the reality. Not all the paintings are so obvi-

ously schematic, but this sense of a shifting, scanning vision informs them all, whether of landscape, still-life or interior. This Pompidou show begins with the narrative Surrealist landscapes of the early 1960s, and continues with the essentially graphic imagery of city towers, Californian villas and swimming pools, domestic interiors with figures and still-lives, with their art-historical references and stylistic in-jokes which occupied him into the 1970s. But it is with the larger Californian landscapes, the Canyon paintings, after 1979, the walk-about interiors and the photo-collages of the early 1980s, that the full Cubist implications, and the surprises, begin.

Hockney's graphic impulses remain incorrigible, simplifying images to a device and rendering them broad and quick; and with so much space to cover, so much to do, there is the concomitant tendency to work as broadly, and perhaps a shade perfunctorily. These quibbles will always remain in particular cases - certain areas ill-judged, unrealised, merely knocked-in, the colour extravagant, the surface crude - though, that said, some of the recent multipanelled large-scale studies of the Grand Canyon are magisterially robust in their immediacy and directness. One longs to see what working studies he made on the spot, if he did indeed make any at all.

Here the context is the justification, and with Hockney working on a theatrical scale, and with a theatrical amplitude of gesture, we can only acknowledge a certain mastery - the detail may be coarse from time to time, but ever the servant of the overall effect. An installation, "Painting as Performance" (1996) is in fact a painted set of sorts, subjected over a cycle of 10 minutes to all the delightful ultra-violet and filter tricks of the transformation scene at the pantomime. His Grand Canyon paintings of the 1990s, which dominate the principal hall at the Pompidou, are some painting indeed on the grandest scale. But what this tells us is that he is a painter after all.

David Hockney - *Dialogue with Picasso*: Musée Picasso, 5 rue de Thorigny, Paris 3, until May 3; organised by the Réunion des musées nationaux, closed on Mondays.
David Hockney - *Photographs 1969-1997*: Maison Européenne, 5-7 rue de Foy, Paris 4, until March 15; organised by the Museum Ludwig, Cologne, closed on Mondays and Tuesdays.

Walk into any television department, public service or commercial, network or independent, anywhere in England today and announce that, with St George's Day coming up in a couple of months time, you have an idea for a series of programmes celebrating English culture - history, song, dance, food, whatever - and you will be regarded with incredulity and horror. There will be mutterings about Little Englanders and the British National Party. Walk in and say that you have an idea for a series celebrating West Indian or Asian culture and you will be taken out to lunch and invited to expand.

So common, within the youth fixated world of television, is the fear and loathing of anything to do with the British Empire and British nationalism, so great the embarrassment over discriminatory attitudes among the white population, and so unquestioned the faith in the value of other cultures, that television now stands permanently on its head. English culture and white people represent all that is bad, and people of any other skin colour and any other culture all that is good.

That is, of course, an overstatement - but no more of an overstatement than those which we hear routinely from television's race series. More significantly, the assumptions upon which these programmes rest are even more extreme. BBC1 is running a series on Wednesdays called *Black and White* in which one

black and one white reporter, with hidden cameras, investigate racism by comparing the treatment they receive from hotels, employers, car hire firms and other businesses. It is not a new idea: 10 years ago the BBC did it in Bristol. Now the target city is Leeds. The fact that the two reporters, right from Programme 1, have been at daggers drawn is both distracting and professionally inept. However, this week they applied for jobs in bars, a betting shop and so on, and it was clear in a minority of cases that the white reporter

received better treatment. Those were the examples on which the programme concentrated. When the reporters tried renting flats and bedsteads the subject was handled at amazing speed and abandoned without any filmed examples. Why? Presumably because both men, as we were told, received the same treatment in all 40 instances, a record of even handedness which might seem worthy of comment. Still, discrimination is the subject, and it could be argued that the lack of it is no more than we should expect. Far more important is the fact that the entire scheme is rigged in such a way that

racism must emerge as a fault exclusive to white people. First the black reporter makes a call - to a hotel, or a bar, say - run by a white person; then the white reporter calls at the same place. In a minority of cases the white reporter gets favourable treatment. But what happens when the tables are turned, the black reporter goes into the black Chappeltown area of Leeds, and the white reporter applies for a job in a kebab house or lodgings with a West Indian landlord? We have no idea because the programme never tries it.

Why not? Perhaps we can guess, but the programme makers would probably argue that it is white attitudes which matter here because numbers are such that instances of black people discriminating against whites are inevitably rare. But there is, surely, all the difference in the world between a programme showing that racism is a global phenomenon cropping up in all races and one showing that, of all the races in Britain, whites alone are racists. Anyone watching Peter Taylor's series *Loyalists*, which starts tomorrow with an excellent programme about the origins of the loyalist, paramilitary organisations in Ulster, will realise pretty quickly that racial discrimination does not necessarily have to have anything to do with skin colour.

Robert Frost said that a liberal was a man too broadminded to take his own side in an argument, and there is an element of that in British television's attitude towards race. It is absolutely right that Oona King MP, half black and half Jewish, should be able to make a programme such as *Scrutiny: The Trouble I've Seen* which is shown by BBC2 at 6.15 today. She is peculiarly well qualified to consider discrimination in the southern US (where her father was born) and in London.

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But something odd must have happened to television when her claim that "Bengalis are proud of their customs and their religion" prompts in the viewer the thought that any attempt to go on television and say the same about the English would produce incredulity and horror among programme makers.

Today they seem to have lost the grammar, the literacy, of radio. Nor does it help when the notables of one profession dabble in another. Professor Anthony Clare (who clings to the title much as Jack Cunningham brandishes his non-medical "doctor") was on the hot line to Stratford-upon-Avon in Wednesday's *All in the Mind* to talk to renowned thesp Antony Sher. Psychiatry clambered aboard the *Shakespeare in Love* bandwagon. Sher not only played the Elizabethan shrink, one of the more schoolboyish jokes in the Stoppard-scripted film, but he has also - wait for it - undergone therapy himself. Great heavens.

While hurrives are not generally to be encouraged to perorate on the mysteries of the human brainbox, Sher was more revealing than he intended. The character of Leontes in *A Winter's Tale* suddenly made sense, he related, when he found that morbid jealousy is an actual clinical condition: the role then became convincing.

Surely Shakespeare's words are convincing or not, the character either works or it doesn't? On reflection, it seemed logical that Sher should be liberated by medical sanction, so to speak, getting the go-ahead from a text-book, since as an actor he has always struck me as a text-book technician: beautifully calculated, worked out to the last physical detail, but clockwork with no heart beneath.

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the most unexpected places: even in politicians' bosoms. *Speaking for Themselves* were Winston and Clemmie Churchill, in the correspondence, edited by their daughter Mary. Their letters covered the early days of their marriage, the births of their children (and a death), money worries, health, oblique glimpses of Winston's career...

Beautifully articulate, genuinely loving, the exchanges filled out Churchill's human side. His wondering, at the birth of their first baby, about the readiness of a human soul to take its place in the world was a hint of the darkness that could overtake him. Whatever Churchill's place on the shifting quicksands of reputation and fashion, these letters leave one with renewed respect for the human, often overlooked.

Finely read by Alex Jennings and Sylvestra Le Touzel, the serialisation was - what is the unwanted word that comes incredulously to mind in today's BBC? - professional, that's it.

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In search of a nude descending a staircase

Mark Wallace

ARTS

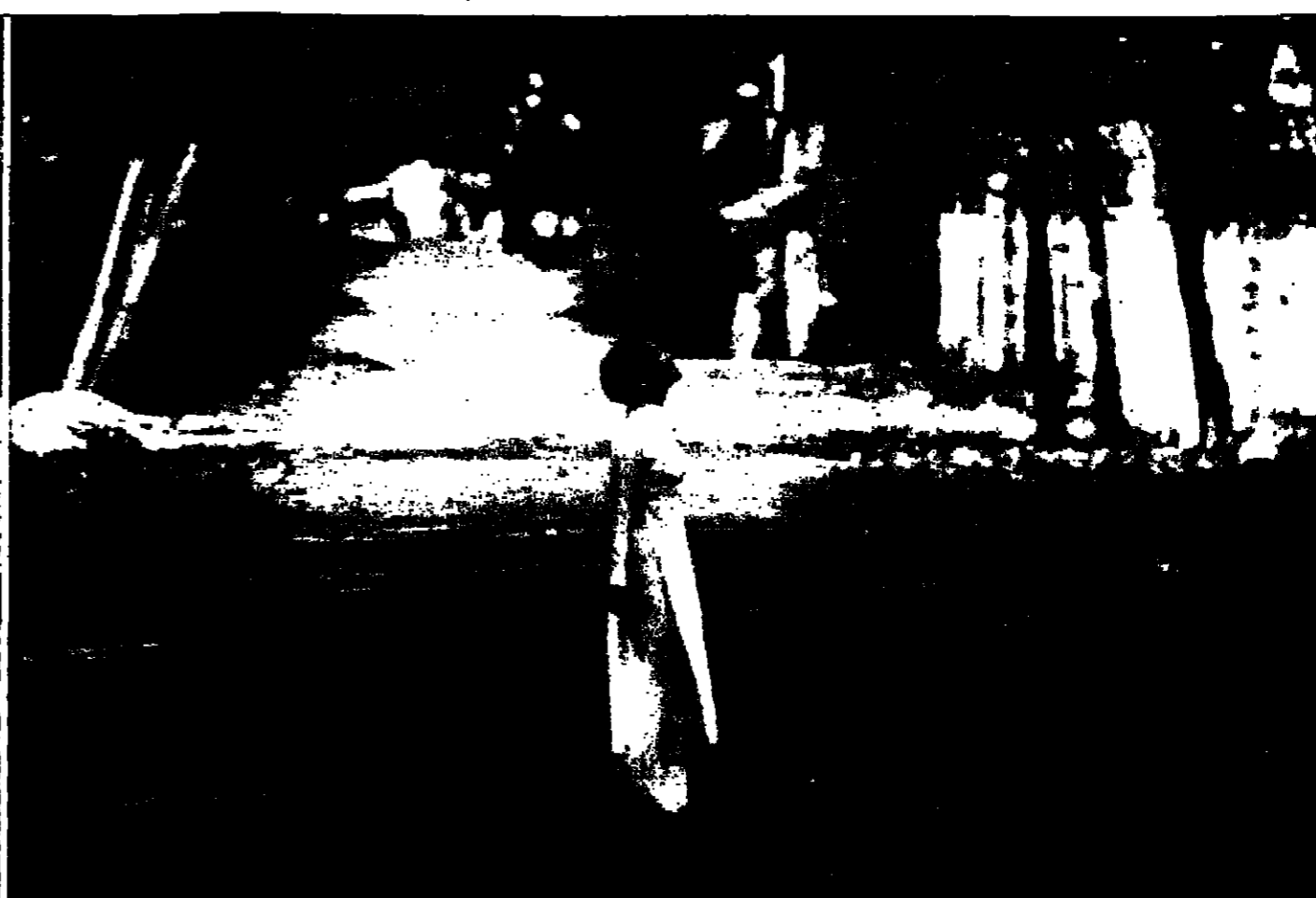
Who are about to move salute the zoo. This will be the last Berlin Film Festival held in the much-loved Zoo Palast, where the roar of nearby lions competes with more figurative catcalls and where in comedies you cannot tell human from hyena laughter. Next year we all disperse to the animal-free Potsdamer Platz, centre of Germany, possibly Europe, maybe the world: an awesome location even for an event now combining heavy-duty art with the glitz of a pre-Oscar warm-up.

A dozen stars and movies being r-a-r'd for LA's six-weeks-hence statuette night were here, from *The Thin Red Line* and *Shakespeare in Love* to Nick Nolte and Meryl Streep. "At last some recognition!" quipped the 11-times Academy Award-nominated actress on accepting a Berlin lifetime achievement badge.

Streep is superb in *One True Thing*, a multi-kleenex family drama directed by Carl Franklin; more when it irrigates tearducts shortly in the UK. More too - though not much more - on N. Nolte in drag in Alan Rudolph's less felicitous Vonnegut adaptation *Breakfast Of Champions*. The growly-voiced star has been Oscar-shortlisted neither for this gauche satire nor for his better turn in Terrence Malick's *The Thin Red Line*, but for *Affliction* (see this week's British openings).



Beauty mixed with pretension in Terrence Malick's 'The Thin Red Line'; and a maudlin US/Vietnam drama that resembles 'Miss Saigon' without the songs, 'Three Seasons'



Flapjacks and fury from the zoo

Nigel Andrews reports from the Berlin film festival, where heavy duty art combines with pre-Oscar warm-up glitz

Malick's second world war epic has been awaited keenly, not to say passionately. Twenty years ago we had scarcely welcomed this new wonder-director - the painter in celluloid of *Badlands* swiftly followed by *Days Of Heaven* - before he ceased directing. Two decades of self-imposed purdah allowed Malick's reputation to grow, until we thought him a cross between Michelangelo and Shakespeare. *The Thin Red Line* proves him neither, merely the man who mixed beauty with pretension before and who does so again here.

The imagery in this James Jones-based tale of American triumph and disaster at Guadalcanal is like a flapjacked version of *Saving Private Ryan*. It is as if Spielberg's near monochrome second world war horrors had been tossed skyward, returning to earth as colour and lyricism whisked into a disturbing, delirious beauty. The action scenes are amazing and so is the acting (Nolte, Elias Koteas, Ben Chaplin, Sean Penn). Trouble comes when characters open their mouths, or rather don't. Thoughts are over-voiced in monologues that sound like cracker-barrel Confucius or early Herman Melville. "Is there an avenging power in

Nature?... This great Evil, where does it come from? etc." What we powerfully see belongs to a different artistic order from what we portentously hear.

The best non-English speaking competition films have been Denmark's *Mifune*, Germany's *Nachtgestalten* (*Night Shapes*) and from France Bertrand Tavernier's *Ca Commence Aujourd'hui*. The first comes from the "Dogma 98" team who double-whammed last year at Cannes. Soren Kragh-Jacobsen is the third Danish signatory to an oath of austerity and realism - no artificial lights, no tripods etc - that produced *Trier's Idiots* and *Vinterberg's* Oscar-nominated *Celebration*. *Mifune* is the merrily mad tale of a newlywed man who goes AWOL, rejecting his rich-bitch bride to return to nature with a retarded brother and a cell girl in his dead father's inherited country hotel. Bleak, funny and loveably untidy, the film was quickly snapped up by world distributors.

Night Shapes was the perfect Berlin movie. Made in and about the host city, four sad-funny stories about walls and strays are interwoven with thematic threads left skilfully untucked so that we can think and worry about them long after the film. Racism, petty crime, social neglect director Andreas Dresen presents a city of plenty with a picturesque lack of certainty over how to spread that plenty around.

If I say Tavernier's film is all about the French education system I shall hear the rustle of turned FT pages. But the veteran sage of *Une Semaine De Vacances* and *Round Midnight* gives wit and vigour to the quixotic battle between a young headmaster (Philippe Torreton) and the opposing army of negligent parents, druggie kids and stressed-out social workers. The film is sad, funny, provocative and compassionate, Tavernier's best in years.

Good-humoured social resentment has been the favour of the festival, in and out of competition. The *Fanorama* programme, which does not contend for Golden Bears, boasted Lukas Moodysson's hugely popular *Fucking Amal* from Sweden. The youths title dancing small town *emami* is belied by a feigning love of two gay teenage girls, so entrancingly acted that it could make even Aunt Edna feel warm-hearted. And though the enthralling Dutch documentary *Kort Geron's Carousel* has Historical Awful Warning written all through it - the subject is a Jewish vaudevillian who strode through showbiz from *The Blue Angel* on screen to *The Three-Penny Opera* on stage before taking his final bow in Auschwitz - it offers a bleakly moving evocation of a bygone German era.

The Young Filmmakers' Forum had Dayush Mehrjui's *The Mistress*, a 1982 Iranian black comedy banned for six years for its por-

trait of a woman who walks out in Ibsenite fashion on a selfish, weak-willed husband. Before that she inhabits a classic, *Veritas*-esque tale of abused good works, set in an Iran where social injustice is seen to be a natural bedfellow with religious and moral intolerance.

Berlin never dodges controversy and even seems to solicit it. Nickolas Perry's *Speedway Junkie* is a US first feature shepherded to competence by executive producer Gus Van Sant, whose *My Own Private Idaho* might have inspired the tale of unrequited love between two Las Vegas rent boys. Britain's *The War Zone*, debut-directed by actor Tim Roth, is two hours of incestuous tension in Devon. Perhaps the impenetrable lighting will help the censor pass a film whose high point is dad (Ray Winstone) buggering his teenage daughter.

Rounding off the festival's sexual-nonconformist chapter were two North American audience hits: the Canadian lesbian tale *Better Than Chocolate* and the Sundance-acclaimed comedy of gay Manhattan errors *Tricks*. Sexual frankness is almost taken for granted in Berlin. As if feeling that it still needed a serious furor, the festival showed the Turkish competition film *Journey To The Sun* on the day of world Kurdish fury, causing what seemed the entire police population of Germany to be bussed in. The fuss proved more memorable than the film, a modest but likable road movie about a man discovering his country and himself.

Other films were rendered inoffensive by either triteness or a hygienic determination to entertain. In the first group came the US-Vietnam *Three Seasons* - Harvey Keitel in a maudlin drama à la *Miss Saigon* without the songs - and Aki

Kaurismaki's *Juha*, in which the droll Finn offers a silent-movie spoof with neither pith nor point. In the second group were western biggies like *Playing By Heart* (Sean Connery and Gena Rowlands in a high-gloss soap), David Cronenberg's slyly but uproarious sci-fi romp *Existenz* (Jennifer Jason Leigh and Jude Law versus squishy things from a parallel mind-universe) and the entire Shirley MacLaine retrospective.

For this the remarkably-preserved pixie flew into town herself, spreading charm, squint-eyed smiles and her own news bulletins from parallel universes. The other retrospective honoree Otto Preminger can no longer, alas, be with us. But in their day, films like *The Man With The Golden Arm* (drugs), *Anatomy Of A Murder* (rape) and *Advise And Consent* (sex and corruption in Washington) set precedents for controversy that even modern-day Berlin must pant to keep up with.

New Art Fairs

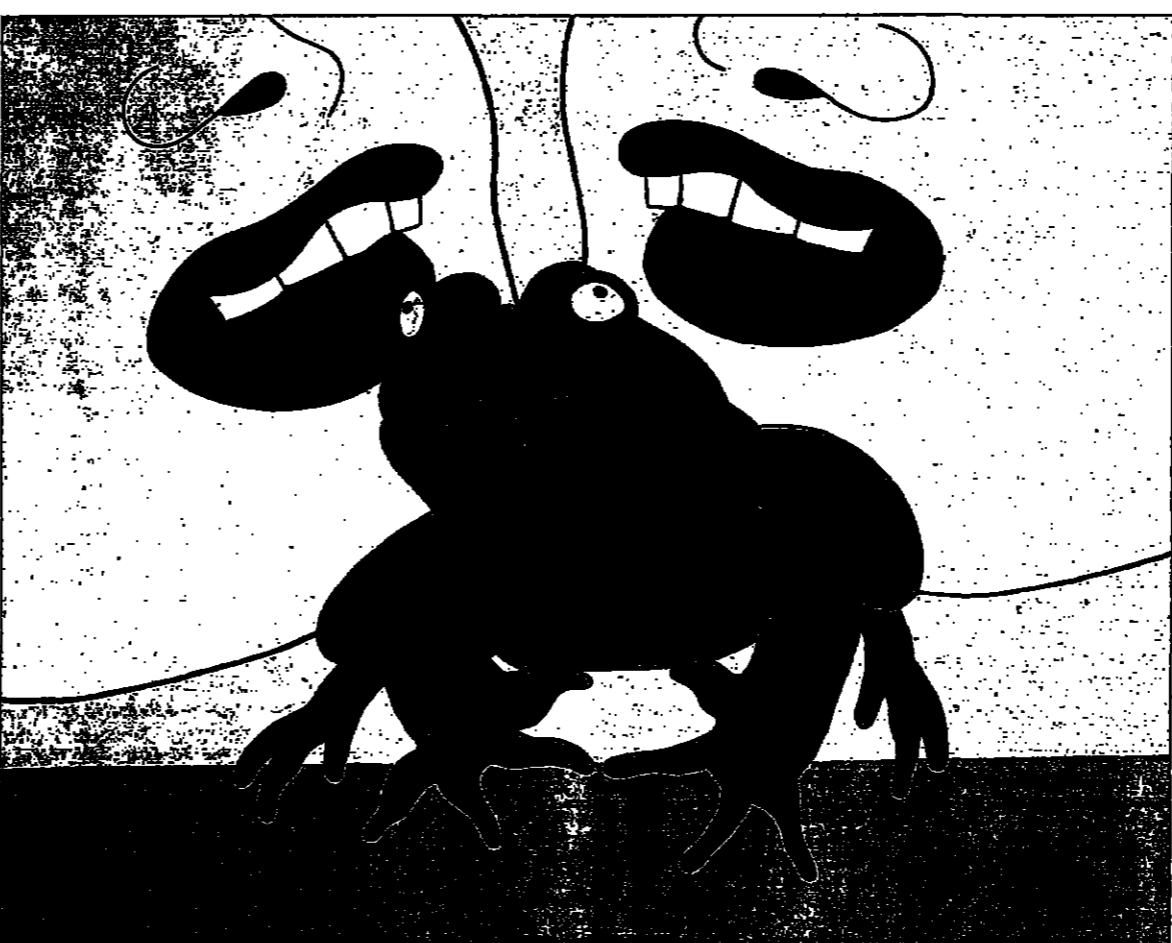
In search of a nude descending a staircase

The new Armory Show can never be as controversial as the original, says Mark Wallace...

When the International Exhibition of Modern Art of 1913 opened its doors 86 years ago this month, Manhattan was wholly unprepared for what it was to see. Better known as the Armory Show, after its site in the Sixty-Ninth Regiment Armory building on Lexington Avenue, the exhibition brought together the most progressive strains of European and American art in a show that would shock viewers that several of the artists represented in it were hanged in effigy by outraged young art students.

Though the show was widely parodied in the press, New York's Metropolitan Museum of Art became the first American museum to purchase a work by Paul Cézanne, and paintings that initially baffled or offended have become such mainstays of art history texts that they now inspire only yawns.

The Armory Show of 1913 would go down as one of the most important moments in the development of American modern art. Besides introducing Americans to the work of Picasso, Van Gogh and Matisse, among others, the show pointed up the relative lack of innovation in the work of even the most advanced American artists, and challenged them to produce an avant-garde capable of rivaling the European modernists. Artists from Joseph Stella to Georgia O'Keefe would come away from the show with a renewed commitment to exploration in their work,



'We cannot bring the avant-garde to America any more': 'Blue Frog' by John Wesley, 1938, on the Jessica Fredericks stand

and many of the ideas in the show would eventually make their way into mainstream American painting.

Those ideas can still be discerned, if faintly, in the works included in the Armory Show of 1998, which opened its doors yesterday, almost 86 years to the day after its ground-breaking predecessor. More properly known as the International Fair of New Art, the 1999 Armory Show brings together 75 of the world's premier galleries, featuring new works by the contemporary artists they represent.

While the 1913 show was organized entirely by artists, the new Armory Show has been curated by a committee of four prominent Manhattan art dealers: Colin de Land, Pat Hearn, Matthew Marks and Paul Morris. The thinking behind this, explains fair director Tom Delavan, is to rely on the more aggressive instincts of the gallerists rather than the more conservative tastes of academic or museum curators.

"Our fair is the only fair organized by dealers," Delavan says. "We're assuming that the people who are trying to sell the art have the most incentive to go out and find the best new artists."

Dealers from 21 cities are represented in the show, including Kyoto's Kodama, San Francisco's Rena Branstetter and popular London dealer like Jay Jopling and Maureen Paley.

Delavan and Mark Rice, who organized and produced the fair, estimate that 8,000

to 10,000 people will wander through the cavernous building before the show closes on Monday. Besides artists, critics and the general public, the show should also draw collectors from all over the US and from as far away as Europe and Japan.

The fair is timed to coincide with the Art Dealers Association of America's annual show, currently on at the uptown armory building, at Park Avenue and 89th Street. Rather than competing with the ADAA, however, Delavan sees the two shows as complementary, especially given the domestic focus of the ADAA. "The art scene in Manhattan can become very New York-centric," Delavan says. "You can go to Soho every weekend and still have no idea what's going on in the rest of the world."

Adding to the appeal of the downtown Armory Show is the organizers' requirement that gallerists bring works that have not been shown before, though not all of the participants have adhered to the rule. But try

as they may to foster "the shock of the new," however, it is doubtful whether the show's curators have come up with anything that will have the effect of Marcel Duchamp's "Nude Descending a Staircase, No. 2", which scandalised viewers in 1913. In 1913 American audiences had not been exposed

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Anyone desperate to own an art work by Matisse, Picasso and the other Modern Masters, but confined to a financial straitjacket need not despair.

This weekend, at the Art on Paper Fair at the Royal College of Art in Kensington, Wiseman Originals will be devoting its entire stand to Matisse prints, etchings and lithographs, priced between £300 and £18,000. Julian Lar will be offering Matisse, along with Picasso, Chagall, and Miró, while Elizabeth Harvey-Lee has Renoir, Toulouse-Lautrec and Munch to sell.

Art on Paper is a novelty - a brand new fair for London. It is modelled on successful works on paper fairs in New York and offers everything from original prints to drawings, watercolours to photography, covering the five centuries from Dürer to Warhol, and all created on paper. Only posters are missing and they may be allowed in next year.

An obvious attraction of the fair is that prices start at £50 and rarely top £30,000, the value that James Faber perhaps places on the Boucher drawing he is offering.

A secondary attraction is that this is a serious, vetted fair. One dealer, Rupert Otten of Wolsley Fine Arts, who is exhibiting drawings by such varied artists as Eric Gill and John Piper, Duty and Van Dongen, hopes that it will appeal to serious collectors who are more interested in the art of creation than in an item of decoration.

The event is certainly eclectic. Assembled together are dealers new to fairs, like the Anderson Gallery of Broadway and hardened exhibitors like John Spink, Flowers, Duncan R. Miller

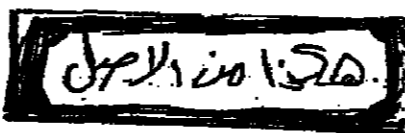
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The currency crisis, which became a financial crisis and is now a region-wide recession, put that future - the future of millions of Malaysians - in jeopardy. If we fail to get all our people, all our corporations, organisations and institutions to respond adequately and heroically to the present crisis, we will go

What, indeed, just as there was no single model for Asian success before the 1997 crash, there has been no model for dealing with the crisis. Dr Mahatir says that although one can learn from one's neighbours, each country has to devise "its own winning formula". To date, Malaysia has certainly not been shy about going its own way and it has made bold, and controversial, decisions both domestically and internationally.

During the early part of the currency crisis, Malaysia adopted the textbook prescription. Public expenditure was slashed and monetary policy tightened to contain the exchange rate depreciation. The resulting high cost of capital, and the credit squeeze choked businesses. Daim Zainuddin, Malaysia's Finance Minister, recently remarked that the cuts in public expenditure only intensified the contracting economy caught in a regional contagion.

In January 1998, Malaysia began to seek its own strategies. It created the National Economic Action Council (NEAC) to formulate and implement short- and medium-term policies to revive the economy, restore confidence and strengthen Malaysia's economic base. (See story below). Headed by the Prime Minister with a heavyweight team from government and the private sector, NEAC became the government's main instrument in the fight back to full economic strength.

In mid-1998, when Malaysia was facing two major problems, highly over-leveraged companies with massive debts and an economy slipping into recession, NEAC launched its major initiative, the National Economic Recovery Plan. This comprehensive programme outlines reforms and recession-busting tactics for all aspects of the Malaysian economy. It will cost about \$9.162 billion to implement between 1998 to

2000, with funds already sourced. Domestic funding will provide two-thirds of the total with foreign funding (largely from Japan) making up the remainder. It puts no punches and ruffled plenty of feathers.

Under its direction, monetary policy was eased, interest rates were reduced to boost expenditure, liquidity was expanded and fiscal spending increased. Debt restructuring began under the auspices of the newly-created Corporate Debt Restructuring Committee (CDRC), and two other government agencies were created to strengthen Malaysia's financial sector: asset management arm Danaharta, whose role was to take non-performing loans off banks, and Danamodal, whose job was to recapitalise them.

The government's most controversial decision, however, came in September when selective capital control measures were imposed. The Malaysian ringgit was pegged to the US\$ at RM13.80 to US\$1, and it was made untradeable overseas with all ringgit held outside Malaysia being repatriated by October 1. The government also declared that foreign portfolio investment must remain in the country for at least one year.

NEAC's Secretariat, head, Dr Sulaiman Mahbob, explains: "The decision to impose currency controls was not a spur of the moment's decision. They are in fact based on three main considerations which were to limit the contagion effects of external developments on the economy; to preserve gains made in terms of policy measures to stabilise the domestic econo-

my, and ensure stability in the domestic prices and the exchange rate and create a conducive climate for investors and consumers."

In response to critics, Daim recently stated that they were not brought in "on ideological grounds" but to stop



Tripping targets: foreign equity limits in telecommunications and energy production (top) have been reduced.

lion by mid-January 1999 from RM59 billion a year earlier. The country registered a surplus balance of trade of RM55 billion compared to RM424 million in 1997.

Criticism began to turn to praise in some quarters. In its 1998 trade and development report, the United Nations Conference on Trade and Development recommended that countries adopt economic recovery measures similar to Malaysia. A J.M. Sassoon report said that as a result of the controls, businesses could now normalise operations and revive their plans, as there is now more certainty in the foreign exchange market. "Malaysia will be able to get out of the recession without having too many companies going bust and too many banks collapsing under the weight of bad debts," its report says.

With the economy insulated and protected from currency and stock-market speculators, the government and the private sector have had a chance to recover, restructure and make improvements to the way the economy has been managed and structured. In Malaysia today, it seems, almost everything is either under review or not actively being reformed and analysts have praised Malaysia for its progress recapitalising banks and troubled financial institutions. The CDRC is currently considering 39 cases involving RM19.8 billion to work out an amicable solution for both debtors and creditors. Danaharta and Danamodal are both on a fast track with expert assistance from J.P. Morgan, Salomon Smith Barney (economic advisers to the government) and Goldman Sachs.

To date, Danaharta has taken over RM21.8 billion worth of NPLs off banks and financial institutions to allow them to refocus on lending again. The recapitalisation of banks is almost complete and Danamodal has injected nearly RM5 billion into nine banks raising their capital asset ratios. As a result, banks are cautiously beginning to lend again - the government has banned loans for luxury projects such as golf courses, clubs, resorts and shopping malls. After declining for first half of last year, bank loans increased slightly by 0.3 per cent with loans at US\$1.6 billion per month for September to November (as opposed to a monthly average of US\$1.1 billion for the first eight months of 1998).

Having achieved their first priorities, Danaharta and Danamodal are now moving into a new phase. Danaharta will now manage the assets it has acquired as NPLs, and restructure those companies. Danamodal meanwhile has been challenged with restructuring financial institutions including merging and consolidations. So far seven finance companies have been absorbed by their parents, two mergers have been completed including the troubled government-owned Bank Bumiputra with Commerce Asset-Holding to create the new Bumiputra Commerce Bank. Two sales and purchase agreements have also been signed. The merger programme should be completed by the end of March, according to Bank Negara. As part of its strategy to strengthen the banking sector, the government has also suggested that Malaysia may raise the limit on stakes foreigners can hold in its banks. This relaxation will be applied on a case by case basis.

To help attract foreign investment, which has shied away as a result of the currency controls and recession, the government has also relaxed the limit on foreign ownership in companies operating in Malaysia to more than 30 per cent. The foreign equity limits in several sectors such as telecommunications, energy and insurance have been revised upwards. All new manufacturing projects approved between last July and end of December 2000, including industrial diversification and expansion,

are exempt from export and equity conditions. Foreigners can own 100 per cent equity.

At the beginning of February, Malaysia eased its tough capital controls in a bid to woo back serious long-term investors and prevent a possible outflow of funds in September when its 12-month portfolio freeze ends. Now, investors can take their money out but must pay an exit tax at a rate declining the longer the money stays in the country. After 15 February, profit taken out of the country less than a year after the initial investment will be taxed at 30 per cent, after that the amount would be 10 per cent. The move also hopes to get Malaysia back onto the indexes of world stock markets from which it was removed last year, and which analysts believe cut the country off from much needed funding for Malaysian companies.

"Will it all work? Well, one thing that Malaysia's post-crash strategies have proved is that an unconventional approach is not necessarily an unsuccessful one despite membership of the global village. Malaysia is working hard on its economic recovery programme and is trying to create a better economy by strengthening its financial systems, improving standards of transparency and corporate governance; an economy that could better withstand a future attack on its currency."

Stephen Taran, managing director and head of sovereign risk at Salomon Smith Barney, believes that Malaysia's economic strategies are working, that revival is right on track but that recovery would be a slow process due to the current global economic outlook.

Clearly, like much of Asia, the country is in recession - last year the economy contracted 6.3 per cent - but there are many indicators that the economy has bottomed out and things are starting to improve. Current estimates for GDP growth in 1999 range from 1.2 to 2 per cent, and unemployment is falling from a high last September. Exports increased 2 per cent in US dollar terms in October from a decline of 18 per cent in August, and the Kuala Lumpur Stock Exchange Composite Index is up 400 points from September.

Malaysia can also take increasing comfort from the fact that her allies in the global village are growing in number. When Malaysia's Prime Minister stood up and pointed the finger at the quick-buck tactics of hedge fund managers as a major factor in the destabilisation of Asian economies in 1997 and 1998, his remarks were largely dismissed as sour grapes. Now the cries for reform and regulation of the world's capital markets, for a new financial architecture, can be heard all around the world's conference circuit.

At this month's World Economic Forum in Davos Singapore's statesman Lee Kuan Yew said there was a need for "more intrusive laws as I am not allowing my currency to be rubbish."

Canadian Prime Minister Jean Chretien called for currency trading controls saying "We cannot see prosperity despairing overnight because some boy in red suspensions in New York decides this is not a good currency."

Determined that Malaysia will achieve Vision 2020, Dr Mahatir also attended the WEF for the first time in 10 years to woo investors and explain the capital controls. Malaysia willingly acknowledges that while the controls are not the best measure or policy they were and are the only reasonable option for Malaysia, or any small country who finds its currency under attack. Dr Mahatir told reporters in Davos: "If they [hedge funds] are 20 times leveraged and have US\$100 billion there is no way that small countries can fight them." Even tigers try to keep a date with history.

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"Economic and financial data supplied by the National Economic Action Council, Malaysia."

The National Economic Action Council At Work

Formed over a year ago as a task force to steer Malaysia through the economic crisis, the high-powered National Economic Action Council is the country's main weapon in its fight back to full economic strength. Dr Victor Wee, deputy head of NEAC Secretariat, explains how.

Q How would you describe NEAC and its mandate? Does NEAC have any role models whose approach to economic stimulation, organisation or objectives it follows?

A The Cabinet established NEAC on January 7, 1998 to serve as a consultative body in dealing with the economic problems arising from the crisis. Early in its deliberations, the NEAC saw clear signals that Malaysia was heading for a deep recession. The preparation of a comprehensive national recovery plan, therefore, became its top priority.

Since October 1997, Malaysia had already adopted a "Virtual International Monetary Fund" policy for close to eight months. Public expenditure was cut by almost 20 per cent and monetary supply was tightened, including the drastic reduction of loans growth. These measures actually worsened rather than improved the economic situation. Whilst examining the economic prospects of the country, the NEAC, raised questions about the suitability of these measures. The reversal in the fiscal and monetary policy came while the National Economic Recovery Plan (NERP) was being prepared. Given the collapse in private demand and the onset of a credit squeeze, it only made sense for the public sector to increase spending and ease money supply so that businesses can be sustained during the worst recession faced by Malaysia since World War II. We are trying to address the problem by tackling it from both the demand and supply side. Although this strategy was in line with sensible macroeconomic management, many observers had initially criticised Malaysia for adopting the strategy, arguing that this would only court economic disaster. Shortly after Malaysia adopted these policies, the IMF allowed the easing of fiscal and monetary policies in Thailand, Indonesia and South Korea. The criticisms of Malaysia ceased when the strategy it adopted became the norm for East Asia.

Q Since NEAC has now been in operation for a year, how would you rate its performance, so far? What has been its major success?

A In general, I would consider that the NEAC has performed rather well. The domestic economic environment has stabilised and confidence is returning to the economy. Things are moving much faster than it is possible under the existing structure of government bureaucracy. There is effective monitoring of the nation's economic performance on a day by day basis by the NEAC Executive Committee. Problems and suggestions are presented directly to NEAC through the Executive Director without passing through the normal government bureaucracy and lengthy approval process. If there are merits to the ideas presented, they are acted upon very quickly with the full backing of government.

Q If I have to name one major success of NEAC, it is Malaysia's efforts at bank restructuring. Danaharta and Danamodal, which have been specially established to remove non-performing loans and recapitalise banks, have pressed ahead with their programmes.

Q What is NEAC's current priority? What do you expect to have achieved by the end of 1999?

A The priority is the implementation of the NERP. To date, most of the recommendations have already been taken up by the relevant agencies. The Cabinet is kept informed on a monthly basis. We expect that the economy will pick up this year, and register a stronger growth for the second half of 1999. The monetary and fiscal policies adopted under the NERP would have taken effect in the economy. Meanwhile, the banking problems would be largely addressed by the middle of 1999. By the end of 1999, we would expect things to look positive for Malaysia.

Q The pace of reform and the restructuring of various aspects of the economy have been criticised as too

slow, both within Malaysia as well as outside. What's slowing progress down and what is NEAC doing to speed it up?

A There have been many criticisms levelled at Malaysia, but it depends on who is making the criticism and where their sources of information are. Very often, the analyses by correspondents are based on back-of-envelope calculations rather than hard facts. There has not been enough recognition of the work that is being done in Malaysia to navigate its way through the crisis. But we have also noted a recent shift in the pattern of reporting because we are starting to read positive write-ups about Malaysia. Writers are beginning to realise that all the doomday predictions about Malaysia's capital control measures have little semblance to reality.

A December 1998 report by Warburg Dillon Read said that the financial sector restructuring proposals are the best it had seen in the region. The HSBC Securities Report for Winter 1999 believes that Malaysia may achieve bank recapitalisation first despite progress made in other crisis-hit countries. Analysts from international security companies are now forecasting Malaysia's economic growth rates at around 2 to 3.5 per cent for 1999, higher than the more conservative official growth rate of 1 per cent.

In terms of speeding up the implementation of the NEAC Executive Committee under the chairmanship of the Prime Minister meets on a day to day basis to monitor the nation's economic performance. The Executive Committee monitors daily changes in the economy such as bank lending, inflow of foreign exchange, stock market performance and the implementation of NERP. The NEAC works very closely with the private sector and responds very quickly to proposals and measures for bringing about economic recovery.

Q As a government agency, can NEAC be divorced from politics? How impartial can NEAC be, and can it criticise government structures, initiatives and decisions it feels are bad for the economy and recommend other measures?

A Although the Secretariat for the NEAC is under the Economic Planning Unit of the Prime Minister's department, the NEAC is not a government agency. The task of national recovery must involve all parties, and not merely be confined to government agencies. The members of the NEAC include cabinet ministers, top public officials, representatives from the private sector, as well as individuals who are especially appointed based on their expertise. Since economic recovery is our top priority, the recapitalisation of government structures, initiatives and decisions may be necessary. The NERP contains enough examples of criticisms and recommendations for reform that have been proposed by NEAC.

NEAC also tries to be market sensitive. It maintains an open door whereby anyone with suggestions or grounds can walk in and air their views. This "hotline" has given people, both domestic and foreign, the opportunity to contribute to and influence policy. For instance, NERP was drawn up after extensive consultation with various parties, including federal and state governments, captains of industry, trade unions, professional associations, media, women's organisations, non-governmental organisations and multilateral agencies. Furthermore, the fact that Malaysia has just eased the capital control measures by adopting the exit tax as a result of feedback obtained from fund managers illustrates the open attitude of NEAC.

Q The NERP is also critical of several sectors of industry (petroleum for example) and public administrations (state governments). Such public criticism of Malaysia Inc is a new trend in Malaysia. Is this the first step towards a more open and transparent government and corporate sector?

A The NERP contains clear proposals for increasing the openness and transparency of government and regulatory agencies. There should be more timely release of economic information to let the public know and allow better tracking of the economic performance within and outside the government. It also calls for improving the consistency of government policies through consultation and co-ordination. Arising from the recommendations of NERP, the Securities Commission and the Kuala Lumpur Stock Exchange have adopted measures to improve the regulatory environment. In addition, the Finance Committee on Corporate Governance was established to recommend best practices on corporate governance to be adopted in the country. The recommendations of this committee are currently under government consideration.

When adopted, Malaysia should have amongst the best code of corporate governance around, supported by the appropriate reform of laws, regulations and rules.

Q Much has been said about Malaysia's essentially "sound fundamentals" and how they will speed economic recovery. In a nutshell, what are they?

A Malaysia's export base remains structurally sound and sufficiently broad. Malaysia has a high savings rate of around 40 per cent, and it proceeds to source funds from non-inflationary funds for the budget and bank recapitalisation. Although the banking system has been affected by rising non-performing loans as a result of corporate difficulties during the crisis, the system as a whole remains intact and solvent. Inflation is well controlled at 5.3 per cent in 1998 and declining. The workforce is youthful, educated and trainable. There is a large middle class comprising around 80 per cent of the population. The government has a proven track record of acting promptly and adopting bold macroeconomic adjustments.

Q The prime minister has said that the financial experts do not seem to be aware that there is a world beyond money and finance, and cannot see a broad economic picture, never mind the wider political and social ramifications. How does the NEAC balance the need for hard economic action with the need to preserve social tranquility, political stability and cohesion?

A Despite the recession, to Malaysia's credit, social cohesion and ethnic harmony are still maintained in the country. Hard economic choices will always have to be made for the country to be more efficient and competitive. The country's policy orientation is pro-business and steps have been made to increase economic liberalisation. Given the ethnic composition of the country there is also the need to maintain social cohesion and ethnic harmony, which are key factors for sustainable growth of the economy. People's quality of life matters. The NEAC is sensitive to how the crisis is affecting some groups particularly badly, such as the poor, and the small and medium scale industries. For this reason, some funds and social safety net programmes have been established to address these problems.

Q If you are granted one wish that you believe would help NEAC to better achieve its objectives, what would that be?

A There should be a concerted effort by the international community to press ahead with reform of the international financial system. Currently there is too much foot dragging and too much waffle. What is needed is more action and less talk. As long as the international financial system remains unreformed, no country is really safe and no economic growth secured from systemic risks arising from rapid and sudden cross-border flows of funds. The next century will witness the repeat of economic disruptions and regional-wide crisis unless a new financial architecture is set in place.

MALAYSIA TODAY PART 3

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How to Spend It

Designers make their presence

They are turning women into proper lunchers, fireworks, birds, schoolkids, pioneers... and teapots. **Holly Finn**



She'd be great if she did it," President Clinton was quoted as saying about his wife this week. In the land of the free, brave and short of memory, attention had quickly turned from Bill's chances as Commander in Chief to Hillary's as a senatorial candidate. It was a seamless transfer of potential from guy to gal.

Up north in New York, as the end of men's fashion week seeped into the beginning of women's and some designers showed both sexes on the same runway for the first time, clothes brought to mind politics.

The collections for next autumn were well-spun. But while in the White House it's been decided that a woman's place is, or could be, in the Senate, under the white tent

things weren't so clear. Designers were looking both forwards and back, sometimes both at once. Techno-liberated design didn't dominate; it shared space with dainty debutante ballgowns, even girlish pinafores. Diane von Furstenberg showed a shiny "life vest" with pockets for a full range of high-tech gadgetry, but it was a jolky, unisex leap forward. Next autumn and winter's clothes seemed more hesitant than headstrong.

Carolina Herrera, a New York classicist, never fails to produce precisely right suiting for impeccable dresses. At her show, she sent out cashmere sweaters in red, chocolate, vanilla and black to go with full-cut trousers and skirts to the knee. To these, she added fox wrap

collars of fur easily thrown on and tied at the waist.

New is her interpretation of the proper lunching suit. Where once there was a trim buttoned jacket and neat skirt, now there is a butter-scotch leather skirt and top boasting a red fox collar. No buttons, no zips, no lapels. Wearing a leather T-shirt instead of formal suiting, as long as the panels of fabric are flawlessly pieced together, is now a woman's prerogative. As is throwing on a casual mink parka to do the shopping.

Herrera's gowns were traditional satin with glamorous pairings of colour: chocolate with cappuccino trim, cappuccino with pale blue, red with chocolate. Often their sleeves stopped just short of the elbow. She also showed a black skirt embro-

dered with magenta feathers that flapped gently, like mini-wings, as she walked. As with those of most designers, her show flashed back and flew forth.

B. Michele, a new arrival, looks to become a classic similar to Bill Blass. An off-shoulder party dress in robin's egg blue silk satin, overlaid with black Italian cashmere that was cut out to look lacey, was assured. His torso jackets in grey Italian wool bouclé or persimmon Italian wool or shadow blue cashmere - with either pencil or grand skirt - were traditional with a tweak.

Fitted in front but swinging loose like a cape in the back, they were one piece looking two ways, tailored and casual, the best of both worlds. What more does a woman need?

Tomasz Starzewski, one of the British invaders who swooped into New York this week and made a splash, was more obviously focused on the future. His leather was a silvery pewter. The

silver orbit-shaped oval rings - would look right on the best star ship. Even a mint tweed drop-shouldered jacket and matching dress was, less overtly, a modern take on the old standard: tweed gone soft.

Starzewski's strapless ballgown in lilac gaze was less forward-thinking, though. It was very pretty, and very familiar. And as arresting as the sight of his ivory sparkle feathered column dress was, it might also have been called Woman As Bird.

In the notes to her DKNY show, Donna Karan, the archetypal New Yorker, described the clothes as "An urban study of tech and nature. Finding comfort in modernity. Balancing function and touch. Body with environment. Every element advances mobility." Would

that a moulded nylon parka and a pair of moulded jeans could do all that.

In now-familiar DKNY style, there were duvet coats, turtle necks and jeans. Colours were stark - icicle and glacier, stone and polar (white) - as was the music played during the show which sounded like glass breaking. But there was also a fiery red felted wool dress, a big droopy oat-coloured blanket coat, and lots of big, comfy hand-knit sweaters.

The division between hard and soft was marked: for the tough, there was a high-tech cotton parka with neon orange trim; for the tired, cozies. A cross between a turtle neck sweater and shawl, these shrunken, hand-knit capes are ingenious. Pulled over the head, cozies' add extra

warmth to the torso while leaving the arms free. A new look, and liberating in a way, but they paint a funny picture: not Woman As Bird, Woman As Teapot. No matter, they're perfect for a cold night's reading.

BCBG Max Azria showed similar sweater capes, only smaller, in loden wool and mocha cashmere, paired with sweaters, skirts and cowboy boots. With their wild west touch, they looked less teapot, more tease.

Nudging further towards the frontier, holster-pockets were slung over a black wool felt long skirt or a parchment-coloured tulle beaded slip or a vermilion mohair strapless dress. Maybe in BCBG a woman could have some fire power. But then, what to make of the tie-back apron dresses,

embroidery on his olive evening dresses and berry skirt - shimmery beads exploding like fireworks - was called Starburst. And his metallic galaxy evening dress - black decorated with

Techno-liberated design shared space with dainty ballgowns

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How to Spend It

felt

reports from New York

in mocha cashmere and in black leather? Marc Jacobs showed them as well, in felt and cowhide and, most confusingly, metallic tulle.

Maybe it's just the name, but don't apron skirts sound a bit reactionary? (Like "hoop" skirts, which a designer called Barbara Bui showed, in ecru wool felt and nude leather.) Updated fabrics, outdated message. Go to the frontier. No, go to the kitchen. These times, these clothes, at once dare and baffle.

Felt wasn't just for aprons in Jacobs's collection. It was everywhere. In contrast to the cavernous and ornate former bank on 42nd Street where his show was held, Jacobs's use of the fuzzy fabric was comforting. Felt skirts, felt sailor pants, felt pea coats, felt capes, felt dresses - they were as simple as being even. Unfortunately, sometimes the wearer (of a felt dress over a wool muslin bib, which looked like a school pinafore) will actually look prepubescent.

The man known for finest cashmere remains an expert on the subject. From thermal T-shirts to jersey turtle necks, his weaves were silken and chic. And his double-faced pea coat with big buttons, in ocean blue, would be a worthy buy.

Oscar de la Renta remains an expert in his field as well. That is, he is. Others design down. He has designed a deep ruby silk anorak with fur trim worn with olive silk faille jeans, a fuchsia duchesse satin parka worn with black pants, and silk parkas in shades of beige worn with a long crewel-embroidered skirt with scalloped hem or with silver silk pants.

Others, attempting modernity, use flashy unflattering fabrics. De la Renta used wool that is a subtle mix of camel and blue, cutting it into a crisp A-line coat and dress. (Only de la Renta's brushed wool coats, in pink, orange and yellow, seemed to move forward too fast. Unstructured and casual, they would look startling over a satin dress, but only if you are young and stylish. Otherwise they could easily look cheaper than they are.)

A black embroidered tulle skirt and a blue lace and tulle embroidered evening dress was this collection's intersection of past and future. What could be more 1950s-debutante than tulle? And what could be more millennial than laser-like sparkles sprinkled all over it?

Ralph Lauren's collection, as ever, gauged the mood of the moment accurately. "Felt," read the notes to his show. "It's the essence of the collection and its simple strength is reshaping the way we dress." Double-faced felted cashmere appeared in light grey and light blue. Shapes were relaxed, jackets swifty, trousers both pencil thin and loosely flowing. His cream felt dress might have looked like a pinafore, but sliding it close over a cream cashmere shell, Lauren made it sleek and modern, even wise - something a smart woman would put on. There was even felt evening wear: an orange felt

There was even felt evening wear: an orange felt gown and matching orange felt coat

can winner of the Nobel Prize for Literature - delighted the audience. They were not sure what to make of Westwood, but the corners of their mouths were upturned, their heads warming to her abrasive charms. Westwood could be good for American women, taking over where Isaac Mizrahi left off, urging them to laugh more.

Philip Treacy, another of the British phalanx, didn't just make New York chuckle, he made it roar. His show started at 9pm and the talker had been flowing, but it was still his whimsy (and perhaps, Grace Jones's modelling) that roused the crowd. American fashionistas don't whoop, but they whooped for him.

It was a high-style Dr Seuss, but even more entertaining than *Cat in the Hat*. There were creations that perched atop the eyebrow, that fanned out in feathers from an ear, that covered the face with mesh-metal, that sprang like an anemone from the forehead. There was even one with articulated metal branches and nine blue plastic discs swinging from them like a mobile.

Odd that an Englishman, and a milliner, should come up with the most thrilling samples of what American women could desire - and get - looking towards 2000. As the old saying goes: "If you want to get ahead, get a hat."

Clockwise from top left: ● Pretty familiar: Tomasz Starzewski's strapless halter in lilac gazeer

● Wearable and sensible: Vivienne Westwood's tailored coat

● Fashion's intersection: de la Renta's lace and tulle embroidered evening dress

● A whooping success: one of Philip Treacy's entertaining creations

● Classicism with a twist: butterscotch leather skirt and top with fur collar by Carolina Herrera

● An expert on the subject: chic weaves from Marc Jacobs

Photographs by: Chris Moore and Reuters



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Luxury Guides

Not long ago, there were reports of a loud crash along a stretch of American highway. Police were called in to investigate, but could find nothing - until they looked up. There, several hundred feet above the road, they saw a Volkswagen Beetle embedded in the side of a mountain.

Before his dramatic descent, the driver had been using a novel source of added power to speed things up. He had bolted a jet engine to the roof.

This is an extreme misinterpretation of "fractional jet ownership." The term, after all, is slightly obscure, but what it amounts to is the fastest growing market for small jets in the history of civil aviation.

Fractional jet ownership is the most luxurious of compromises; that between chartering an occasional aircraft and buying a small business jet outright. It is a neat solution for those who are in real need of private transport, but have no desire to own, with the hassles of owning and maintaining their own aircraft.

Ownership companies have in effect created time-shares in the air. For an initial price of between \$350,000

Time-shares across the skies

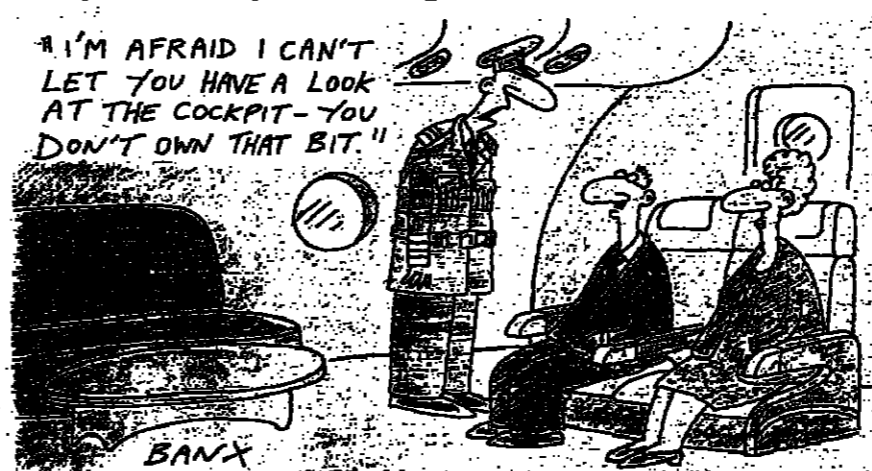
Ed Lamont finds a way to have your own private jet without buying it

In 1997, on the strength of fractional ownership, sales of small jets increased by 36 per cent.

The largest provider, NetJets, has ordered 525 aircraft over the past six years but still has a long waiting list. Several other manufacturers have created their own programmes. Bombardier's is known as FlexJet, Raytheon's is Travel Air. And, though not a manufacturer, Executive Air Transport of Switzerland is offering Smart Jet - a service to fill the gap between its charter service and its aircraft management for owners.

Richard Santulli, a mathematician by training and banker by profession, started NetJets in 1986 with a handful of jets, an idea, and some calculations on the predictability of probable client movements.

In the beginning, he had to give money-back guarantees just to get people to try the service. By 1990, just as NetJets was starting to turn a profit, the US economy went into recession. Santulli



struck with it until buyers returned.

One of those buyers was Warren Buffett, the legendary investor, who already owned a private jet for the use of his investment company, Berkshire Hathaway.

"I thought it would be good for the family, so I met Richard Santulli, and in 15 minutes I bought a quarter share in a Hawker for their use," he said.

The family's enthusiasm for the service convinced him to do some free advertising for Santulli, and to mention his interest if Santulli wanted to sell. "Late last spring he said he was interested, and we got a deal done very quickly," said Buffett.

In July 1998, Buffett bought the company for

ahead of Europe with this idea: NetJets has 150 aircraft in service and more than 1,000 clients there. The European service will add its 10th jet in April.

Buffett should change things quickly. "We are still small in Europe," he admitted, "but we will be pushing hard around the world over the next couple of years. Last year our clients flew from the US to 95 countries; it makes sense to have a worldwide fleet."

Some say it will be more difficult to get the idea off the ground in Europe because of the complexity of navigating the airspace of several countries, and the congested skies. You can have an aircraft waiting for you at six hours' notice, but nothing guarantees it will be able to take off. After the Grand Prix in Monaco last year, business jets were backed up for two days in the south of France waiting for departure slots.

It is ironic that to benefit from a fast and convenient time-saving service, you may have to wait a year or two.

Executive Jet (NetJets USA) 1 800 821 2292; NetJets Europe +41 41 798 1616; Executive Air Transport +41 1 800 8777; FlexJet - 1 800 353 9582; Travel Air +1 816 676 8000.

In the US, for example, commercial aircraft fly into only one-tenth of the airports accessible to a small business jet.

To counter concerns about safety, training of pilots and maintenance of aircraft exceed industry standards. Companies offering fractional ownership know that it would take only one accident for fractional to take on a gruesome double meaning. At present, the US is

FOOD AND DRINK

Eating out

Down with revolution, up with dignity

Old-fashioned, Burgundian and proud of it. Giles MacDonogh visits Le Récamier

It seems hard to imagine now, but when Martin Canteigrit opened the Récamier, the authorities were only just taking down the barricades and picking up the cobblestones scattered by the revolution of 1968. It was still the France of de Gaulle.

So much has vanished since then. The past decade has been the worst as restaurateurs have buckled under a monstrous burden of taxes and social legislation which threatens to rob France of the pre-eminence it has enjoyed in gastronomic matters since the mid-18th century at the very least.

What makes Le Récamier so reassuring is that it seems so little affected by the crisis. It is still the same snug, comfortable restaurant that it was, with a faithful clientele of publishers, politicians and locals. Until she

died last year a woman in her 60s had lunch there every day. She lived alone in a flat upstairs and had never learned to cook. The simplest solution was to go downstairs where her table was always set.

It has to be said that the restaurant's customers are not always as dignified. Eating there shortly before Christmas I watched a man who was old enough to know better combing his hair and preening himself in the mirror. He then carried on repeated loud conversations on

his mobile telephone and smoked like a wet November bonfire. When I was joined by a Parisian friend she exclaimed: "Had Martin been here he'd have thrown him out."

Canteigrit's warm bonhomie was indeed the only thing we lacked, but he has an admirable "second" in Eric Sartour. Lunch was cooked by the same chef, Robert Chassat, who has been there for 30 years.

The menu also has a comforting permanence about it: not too many surprises there. Look in

vain for Sarawak spices or Nanking noodles, you will not find them. This is an old-fashioned Burgundian restaurant and proud of it.

You may think it's old hat, but just when did you last see these advertised: *jeonbon persille?* *Ouys en meurette?* Or *boeuf bourguignon?* And they were good too.

I indulged myself. The kitchen prepared a plate of the ham as an *amuse-gueule*. Then I had the egg with its rich red wine and bacon and mushroom sauce. Next came a pike mousse with Nantua

sauce. This is a slight variation from the classic canon, which stipulates a sausage-shaped "queue", but it is a difference only of form.

The rarity of crayfish in contemporary France (when you can get them, they seem to have come all the way from China) might explain why I was told that the sauce was flavoured with lobster shells.

The pike was followed by a deliciously dark *bourguignon* which was served with tagliatelle. A fondness for noodles is evident

elsewhere on the menu. It is an odd culinary mannerism which is almost certainly attributable to the owner himself. He is a restaurateur of the old-fashioned sort. He, rather than the chef, rules the roost.

After the beef there was room only for a little cheese: some blue *fourme d'Ambert* and a deliciously ripe *Bocamadour*, a little disc of almost liquid goat's cheese. This allowed me to polish off a wonderful glass of burgundy.

For wine is the other reason for

going to Le Récamier: it possesses one of the best lists in Paris.

A *wad* of paper the thickness of a scientific report, but rather more interesting: it contains vignettes of claret, burgundy and Rhône wines going back to the 1950s.

I had heard a distressing rumour elsewhere in Paris that Canteigrit had sold his cellar. I questioned Sartour closely. No, he said, this was not the case, but he added with some embarrassment, the 1990 *Hermitages* had made their way to Christie's. That was all.

Let us hope it is not the thin end of the wedge. Another move like that and it could spell revolution.

Information: *Le Récamier, 4 rue Récamier, Paris 75007. Tel: +33 1 45 43 55 53. A la carte FFY820 before wine.*

Watering holes

Ghosts drown their sorrows along the bar

Peter Millar, fond of a pint of the black stuff, is astonished at what passes for Irish in England

It is one of the favourite French aphorisms that the English vice *par excellence* is *masochism*. This may be so. How else to explain the almost fanatical adulation for the popular culture of a nation that has, for most of the past half-millennium, regarded England as its mortal enemy? I am talking, of course, about the Irish. And the Irish pub in particular.

Not the real Irish pub, of course. Anyone familiar with old Dublin knows that a proper local's watering hole - as opposed to any of the trendy nightspots around Temple Bar - is a dark place, with a long bar at which silent men sit sipping what Flann O'Brien, the Irish humourist, called "a pint of plain". Music would be an abhorrence; it would drown the racing commentary from the television.

In the past half-dozen years, however, while the IRA have drifted in and out of ceasefires and the City and Docklands witnessed their destructive acts, the Irish pub has completed its colonisation of the British mainland.

Take Scruffy Murphy's in Fleet Street, for example, which is one of a chain of nearly 40 pubs in the UK. At first glance it might seem unchanged since the early Victorian era, all wooden

many other quality English inventions, it is being sold out.

The irony is that, unlike its clones throughout the rest of the country, not to mention Sydney, Australia, and Waco, Texas, and the equally phoney O'Neill's chain run by Bass, Scruffy Murphy's in Fleet Street actually used to be an "Irish pub".

That is to say, it was an English pub run by an Irish landlord. It went under the distinctly un-Gaelic name of *The King and Keys*, and it was frequented - indeed, almost inhabited - by journalists from *The Daily Telegraph*, for the prime reason that it was next door to their office.

There was indeed a television over the long bar, although it was rarely turned on, journalists being a loquacious lot. The landlord was called Andy, and he was one of the most unwelcoming, foul-mouthed publicans I have met. Yet *The King and Keys* was the stuff of Fleet Street legend.

The landlord was one of the most unwelcoming publicans I have ever met

authenticity as "Mainstreet USA". The perpetually piped Irish Muzak is as genuine as Disney's Little Mermaid is Danish. In Dublin bars the jukeboxes play UB3. *The Cows* or *Sinead O'Connor*; these days, you have to come to London to get *The Dubliners*.

And there you have it in a word: "bars". The Irish do not have pubs. Never have done. They have bars, like their American descendants. The word "pub" goes with the adjective "English". The English invented it. Which I suppose is why, like so

crimson flock wallpaper worn in a line along the wall by a succession of would-be wise heads leaning against it.

Even today, I swear I could just hear - above the diddly-dee from the built-in speakers - the ghost of a *Telegraph* journalist, ham-



A pint of stout please: Tressa Sweeney, manager of Scruffy Murphy's in Fleet Street, London

mering on the upstairs sitting room floor where he had bedded down on being locked in one night after closing time.

Today's Scruffy Murphy's is not an unpleasant place, in a chainstore sort of fashion, even though some of the decor has not improved; the

walls, for example, look like they might have been decorated by E-block internees during the "dirty" protest.

With the old Fleet Street only a memory, no doubt the marketing men would argue that a "theme pub" caters for the new audience.

next door, there is Goldman Sachs, the investment bank. No doubt its well-heeled employees would never dream of complaining at being charged £2.45 for a pint of Guinness.

An indication that their drinking habits are more moderate may be the fact that Scruffy Murphy's does special wine offers on Monday and Tuesday: buy two generous 250ml glasses of Californian Blossom Hill red or white and keep the bottle. Andy would have thrown it at them.

Scruffy Murphy's in Fleet Street is on 0171-353 2451.

Hate entrails, love boudin

Anissa Helou eats some of the best andouillettes in France

What's in a name? Ask people if they eat entrails or blood and most will pucker their lips. Ask the same people if they eat *andouillette* or *boudin* and they will probably say they love them. But *andouillette* is a short fat sausage usually made from pork entrails and *boudin* is another made with blood.

The most famous and, reputedly, the best *andouillette*, comes from Troyes in north-east France where it is still made by hand. The

dressed meats - all pork, two thirds intestines to one third stomach - are coiled and then encased into the large intestine with the help of a wooden spatula and a thread. This process is known as "virer à la ficelle" (pulled with a thread). Whenever you read this description, or see the word *ficelle* on a restaurant menu, you will know that the *andouillette* is hand-made.

Another label that signals quality is A.A.A.A.A. which stands for the *Association Amicale des Amateurs d'Authentiques Andouillettes*, a gastronomic society that upholds the authentic tradition of *andouillettes*.

There are many regional variations. In Lyons, for example, they use *foie de veau* (veal mesenteric, or intestinal membrane). *Andouillette* is pre-cooked in broth or milk and usually sold coated in aspic jelly or breadcrumb. All you will have to do is grill or fry it, or for a slightly more elaborate dish bake it with shallots and white wine as in the recipe below.

Some people believe that *andouillette* is merely a big, black *andouillette* but even though it uses the same ingredients, pig's intestines and stomach, it is prepared differently. First, it is smoked for two months, hence the black skin, then

Andouillette is hand-made.

hied, cooked in water or broth and dried.

It is generally eaten cold, sliced thinly, although it can be served hot after having been simmered in broth. The finest *andouille* comes from Vire in Normandy or Guémené in Brittany. The *andouille Bretonne* differs slightly from the *Normande* in that the meats are left whole instead of being chopped. *Guémené andouille* is protected by a trademark whereas the label, *Andouille de Vire*, is used all over France.

For the genuine article you should look out for the word *authentique* on the label. Rabelais, the author of *Gargantua and Pantagruel*, mentions *andouille* in the latter as a favourite dish of his contemporaries. As for *boudin* it is one of the oldest cooked "meats" and is made

all over Europe. It is made with pig's blood and fat. The mixture is seasoned with spices and herbs and funneled into an intestine casing. It is then cooked very gently in a broth.

There are endless variations: onions in Paris, chestnuts in Auvergne, rice in Spain or oats in Scotland. *Boudin* is sold in individual pre-sealed pieces or cut from a length to be fried or grilled and served with apples or potatoes. There are some that are eaten cold, though, such as the Catalan *butifarra*. The Norwegian blood sausage looks like a black *salsami* and is eaten, as such.

It seems that much aversion to offal is engendered by the words that describe it - or perhaps it stirs a primitive fear of the *sight* of any internal organ. One of the most telling

Sausage makers

- Andouillette de Troyes: 21 rue des Ecoles, BP 2038, 10011 Troyes. Tel: +33 33 23 70 42 50.
■ Andouille de Vire: Lucien Assolot, rue de l'Abbaye, 14500 Vire. Tel: +33 02 31 95 21 89 or Charles Amard, 5 rue André-Hébert, 14500 Vire. Tel: +33 02 31 97 01 72.
■ Andouille de Guémené: Ryszard Gulez, 5 rue Bellevue, 59180 Guémené-sur-Scorff. Tel: 02 57 54 21 10.
■ Jeune-Sausse Cœur: 44 rue du Marchand Luchier, 56000 Vannes. Tel: +33 02 97 47 21 29.

examples of a psychological turn-off happened when I was travelling with friends in Greece. We stopped at a *kokoretsi* (see recipe below) stall for a snack. We were all enjoying our meal until someone asked exactly what we were eating. Once I finished explaining which parts of the animal were involved only two of us continued with the meal.

Appetisers

The latest round of catering contracts for the Millenium Dome is depressingly skewered towards large companies, with only two notable exceptions, Loch Fyne Restaurant and Group Chutney Mary.

An indifferent meal of seafood late last summer at Loch Fyne did not bother me, but quite the opposite is true of the latter. Chutney Mary, along with its sister restaurant, Veeraswamy, are undoubtedly among the handful of truly exceptional Indian restaurants among a mass of entirely indifferent ones.

Modelled on the street food and home-based cuisine of all India, this will be the place to head for sustenance of quality and at a target cost of £15 per head, is hardly going to cause complaints.

In keeping with the educational theme of the "Dome experience", there will be dishes for children's undeveloped chills buds as well as non-chilli alternatives.

Hugh Arnold
Organisers are hoping to repeat the big success of last year's St David's food fair in Cardiff. Flavours of Wales will be offered this year at the city's St David's hall on Sunday February 28 from 11 am until 5pm. Look out for the stands promoting Welsh Black cattle, the Cheese Makers Association of Wales and the Welsh Venison Centre. And don't come away without at least sampling Wendy Brandon's home-made preserves. For further information fax Gill Davies on 01222-406888.

Franco Taruschio strays from his own kitchens at the Walnut Tree Inn, Landwell Skirid, near Abingdon. But he is crossing the border into Lleegr (England), to you to give a master class at Victoria O'Neill's kitchens in Herefordshire.

Obtaining Taruschio's services looks like something of a coup for O'Neill, an Australian who has been teaching cooking for 15 years, and since 1997 from her new home in England.

Taruschio's class will include both old favourites from his Italian repertoire and at least one new dish. This and all O'Neill's classes are held in her large kitchen at Pyon House, Canon Pyon, Hereford.

For more information and a full list of class details call 01432 830122 or 830185. JJ

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FOOD AND DRINK

Hooray for the humbug

Nicholas Lander welcomes a book about traditional British foods

Last week, when a family butcher in Searby, Yorkshire, closed, its 123-year-old secret recipe for pork pies was sold for £450 to a seafood restaurateur who will ensure that it continues to be made. What is perhaps most surprising about this event is that it was reported on BBC Radio 4.

In Britain, the importance of food is being discussed as never before. One reason for this is the increasing number of food scares. BSE and genetically modified crops are the headlines of the day.

However, we need to get these debates into perspective. Eating is and always has been, unless you are prepared to be entirely self-sufficient, a risky business. Wild food can be as dangerous as the highly processed variety.

One of today's great problems is that with more people farmed from the soil and the source of production, we rely ever more heavily on the media for our information. And what we are told by press, radio and television may often appear contradictory.

For example, we hear that Britain has never before produced so many good native chefs, nor so many television programmes about food - yet the general level of cooking skills has never been lower.

In the US, chefs rival Hollywood stars in the public's eye. Organic farmers' markets are springing up in every big city and the demand for healthier foods has never been greater - yet obesity levels have never been higher. The country seems fat-obsessed, an attitude summed up by New York food writer Susan Wylie: "We Americans want to eat like horses and stay lean."

In France, McDonald's shares are traded on the Paris bourse, the city that gave birth to the world's first restaurant. The French hypermarket marches on - threatening and causing the closure of many small village butchers, bakers and pâtisseries.

Yet in one significant respect Britain's attitude to food is different from that of so many other countries. Britons seem determined to sever all gastronomic connections to their past. France rigidly uses its *appellation contrôlée* system to protect 33 of its best-loved cheeses. It takes to court those who try to reproduce Roquefort in Latin America or Reblochon in Cuba.

In London earlier this year as part of a 50-strong delegation from the International Academy of Culinary Professionals, they were impressed with the manner in which British food-writers were waging the battle over hygiene and food safety but dismayed that they could not get a single recommendation for a restaurant serving simple, top quality British food. (Mine, too late for them, is *Fergus Henderson's* cooking at St John, Smithfield, near the City, tel: 0171-251 0545.)

The publication this week of *The Traditional Foods of Britain*, finally gives all those involved in disseminating the virtues of British food, whether as chefs, writers or cooks at home, the chance to catch up with Britain's gastronomic heritage.

In doing so we must acknowledge a debt to the most unlikely of sources - the EU bureaucrats who, thankfully, sponsor Euro-tourism, a body that exists to describe and extol traditional products.

To merit an entry in this book a food must have fulfilled four criteria: to be linked to a region, for example, Banbury cakes; to have a demonstrable tradition that has extended over three generations; to require a specific body of knowledge for processing and to be still "alive" or marketed. Astonishingly, given the British supermarkets' grip on the food chain and government indifference - neither the Ministry for Agriculture, Fisheries and Food nor its quango Food from Britain expressed any interest in publishing this book - more than 400 different foods, drinks and sweets have survived and meet the criteria.

There are descriptions of the fruits that so many overseas chefs envy: "Forced" Yorkshire rhubarb; damsons and leveler gooseberries. There are explanations of the *différentiel*, processes behind the huge variety of smoked fish, kippers, smelt and sprats that saw our ancestors through the winter months as well as the more unusual spout, the name in Orcadian dialect for the razor shell clam. There are histories of several breeds of pig, such as Tamworth and Gloucester Old Spot, and sheep, such as Romney and Welsh Mountain which, given the sharp fall in market prices, may one day disappear from the hillsides.

What makes this book really worthwhile is how widely the authors have delved into the British way of eating. Here are pocket histories of the muffin; Blackpool and Edinburgh rock; Maldon sea salt; Marmite and Burdock, Tizer, Earl Grey tea and Iron-Brew in Scotland in the 1900s. Nothing is too mundane - there are even histories of the sausage tart and the humbug. As food writer Tom Jaine explains in his introduction: "Even the horrid ones (foods) represent a pattern that was once our own or that of our ancestors. Their presence, even their passing, should be marked."

The publication of this celebration of Britain's foods is timely. Coming at the end of a decade which has seen so much damage to British food and farming it vividly illustrates how much we still have left to safeguard.



Fangs for the memory...

Kevin Pille goes rattlesnake hunting in Oklahoma

The White Fang Society is an elite and highly select dining club. You are invited to join. Often posthumously. Members risk likely lesion, possible amputation, potential paralysis, probable reconstructive surgery and almost certain convulsions.

On the initiation ceremony menus are traditional American delicacies such as Potted Poison, Kiss 'n' Bite and Rattlesnake Chili.

Weird and wonderful meats are nothing new. Kangaroo, ostrich and crocodile have become gourmet dishes even in the UK. So could rattlesnake become the next culinary fad? The first *Rattlesnake Recipe Book*, produced by the 2,000 members of the International Association of Rattlesnake Hunters, based in Okemne, in north-west Oklahoma, has just been published.

The state game warden and his wife, and William Wigley and his gun, to the world. But the "red carpet country" also has the oldest rattlesnake hunting grounds in the country. Started in 1839 by Orville von Gulker, a local farmer of German extraction, the Okemne rattlesnake round-up is the granddaddy of all rattler festivals.

turned in by hunters over the two-day contest. Nothing is wasted. The skin is highly valued by tanners. Rattlesnake gall bladders and dried blood are exported to Japan as aphrodisiacs. The meat sells at about \$3.50 per lb. Each pound weight of live and deadly Western Diamond-back rattlesnake yields about one cup of deboned meat.

The record for the largest snake ever caught and filleted was in 1952. The snake measured 88in from fang to rattle. "An 8ft snake can feed 20 hungry people," says Posey. "We do burgers and salad at the fair. Rattlesnake tastes very like chicken. It's a tasty bite."

Fang Casserole, Snappin' Spaghetti and Snake Bake all feature in the recipe book. Dishes such as snake chowder, pit viper jambalaya and barbecue favourites like Wiggle Waggle and Fang and Elbow Stew are explained in detail in the collection. The instructions for making snake chili are: "Cook up your mince and onion and beans and fried onions. Add one live snake to taste and simmer." There is no need to stir. The wriggling snake does that for you.

In Australia, water buffalo and witchity grubs are served, but not snake. Some Texan restaurants are beginning to serve snake as a novelty. It occasionally appears on menus in New York. Vinaigrette-style sauces and citrus flavours are recommended as good accompaniments.

Coe Clark, the local snake butcher in Okemne, sells to a restaurateur from Chicago who visits the Rattlesnake fair every April. "You got to handle the snakes with care. They can pee 360 degrees and even decapitated can be deadly for up to two hours after they are dead."

More than 100,000lb of meat is

Rattling good recipes

POTTED POISON

Two medium rattlesnakes, 2tbs salt, 1 tsp pepper, 4 bay leaves, 1 tsp whole cloves; 2tsp tomatoes, 1 tsp whole allspice, 2½ cups vinegar
Remove heads, skins, and guts of 2 medium rattlesnakes (or buy 3 lb of freshly butchered meat). Wash, rub with salt and pepper. Cut into 2½ pieces and place in a baking dish, scattering over spices. Pour vinegar over meat. Bake for two hours at 275°C. Cool and refrigerate.

HISS AND BITE

1lb bacon cut in 1in pieces, 1lb cooked, ground rattlesnake meat, 3 medium onions, chopped, 2 large green peppers, chopped, 6 tomatoes, 3 cobs of corn, ½lb diced cheese, salt and pepper
Fry bacon, add onions, peppers, tomatoes, corn and snake meat. Heat thoroughly and add cheese. Allow cheese to melt and serve with hot bread or crackers

Rattlesnake gall bladders and dried blood are exported to Japan as aphrodisiacs

like a wheel in front of you. It gives you this energy zap. It unlocks the stress keys." Wenglarz used to keep rattlesnakes as pets. He used to have a live-in alligator too, but had to get rid of it because it ate his furniture and two dogs. His philosophy was: "If you can't beat it, eat it," and so, with Avril Pickup and Okemne round-up organiser Ron Posey, he decided to publish a rattlesnake meat cookbook. "For a century or more snake has been the all-American meal. It's more American than hamburgers. Oklahoma has a Pecan and Oyster festival but Okemne is the gourmet experience with a difference."

More than 100,000lb of meat is

Wine Elixir of life runs low

running low. Several seriously fine southern hemisphere wines can be tracked down in Safeways's more glamorous supermarkets, however. Diego Muriel Malbec 1997, exclusive to 118 Safeways, is awfully smart - from Argentine

Patagonia, my dear - and just £5.99 for a deep, dark, savoury red with real backbone as opposed to the fussy velvet that characterises so many reds from Argentina's hotter wine regions to the north. Then there is Bouchard

Finleyson's Oak Valley Chardonnay 1996 from Elgin, one of South Africa's finest coolest white wine regions - a particularly elegant first course, or even aperitif wine for £9.99 in just 23 Safeways (or £9.95 from its importer

Bibendum of London, NW1). And finally, one of the most sumptuous reds on general release, Casa Lapostolle Cuvée Alexander Merlot 1996, made by Michel Rolland of Pomerol from grapes grown in the land of flavonols. At £9.49 in 121 Safeway stores, it is seriously worth seeking out. It may or may not be high in flavonols, but is absolutely blooming delicious. Jancis Robinson

A truffle to ruffle Périgord supremacy

Giles MacDonogh samples the lesser delights of the truffière's world

The supremacy of Périgord and Alba have taken a pasting recently, and not before time. Those of us who follow truffles have always known that the large, black, pungent *tuber melanosporum* was to be found in many more places than south-west France. Provençal Tricastin - on the right bank of the Rhône - is the principal French source, producing up to 50 per cent of the country's annual crop. Italy is an important source. So too is Spain. White truffles may be confined to Italy, but are as often to be found in Umbria as in Piedmont. Then come the rest: brumale or musk truffles. Chinese truffles,

summer truffles, smooth truffles, Bagnoli truffles, grey truffles and Burgundian truffles. The also-rans of the truffle world have long had their uses in the larder area of production. Generally any bag bought by a broker contains a percentage of lesser quality truffles which are promptly resold to the consumer. It is the consumer who pays a small fortune for a can or jar containing neither the *melanosporum* nor the

magnatum which he hopes will lend its aromas to his dish. Commercial norms established in October 1995 - which came fully into force in time for the 2001 crop - will go a long way towards eliminating the many frauds which have blighted the truffle trade. They have also had the effect of adding some value to the lesser breeds of truffle which - although they lack the enormous aromatic potential of the so-called Alban and Périgordine - are not to be despised.

The Burgundian truffle or *tuber uncinatum* is a case in point. Unlike the *melanosporum*, it prefers a cool, maritime climate and plenty of shade. Although the centre of production is Burgundy, it can be found as far north as the Ardennes and as far east

as Lorraine. Every year between six and 15 tonnes come on to the French market opposed to 10 to 30 tonnes of *melanosporum*. François Beaucamp, president of the Burgundian Truffle Producers' Union, even goes so far as to suggest that Burgundian truffles could exist in Britain given the right sort of conditions. He thought Sussex, for example, ideal. This does not seem far-fetched; they have already been shown to exist in Belgium, Italy, Switzerland, Luxembourg and Germany. Beaucamp thought the truffles from the region of Magdeburg eaten at the table of Frederick the Great of Prussia were none other than his own *uncinatum*.

Vegetation is the clue. Before you can produce truffles you need to create the habitat in which they

might find your dog excavating a truffle or two. The immature ones are white. With time they go grey and finally chocolate-coloured, but never black like the Périgordine. I met Beaucamp at Jean-

A subtle nuance was injected into crayfish sunk in a blancmange

with a potato purée almost black with truffles. The secret of reaping the full potential of the truffle, I was told, was to keep it with the butter, adding both at the final stage of the purée. I had a Scottish neighbour at dinner that night. He was most impressed by the potatoes. He told me that he was

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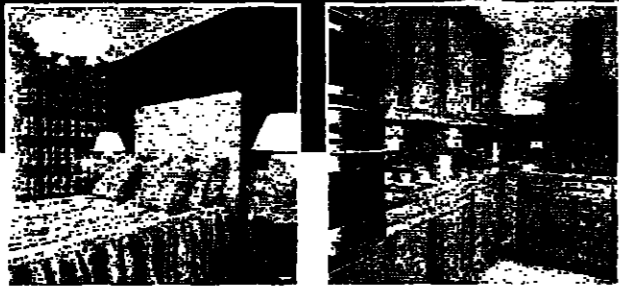
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PROPERTY

Reality settles on Berlin after the goldrush

The market may have sobered up, but the new German capital still buzzes, says Gerald Cadogan

The Berlin property market became "a goldrush" after the fall of the Wall on November 9 1989. "German and foreign companies raced to get a bit of the action," says Heinrich Ehrh of FPD Savills in Berlin. Developers foresaw a new prosperity for Germany's largest city (3.6m inhabitants), especially with the federal government's planned return to Berlin this year after its long sojourn in Bonn. Property prices continued to rise until 1994. But in 1995 they turned rapidly downwards and now reality far outweighs expectation. Big differences in value between the eastern

and western sectors of the city have not disappeared, principally because there is so much still to do in bringing east sector housing up to normal (west) German standards. Refurbishing is a long business, which will now take still longer since the tax breaks for this process ceased last year. Flats to rent are in oversupply, which is to a large extent a result of the British, French and US garrisons departing in November 1994. The outlook may have turned sober but there is still a buzz around Berlin property. Though far later than expected, the first government officials have at last arrived from Bonn. This summer the Bundestag is

due to follow them, moving into the old Reichstag, the restoration of which by Sir Norman Foster (now in progress) includes a new glass dome capping the building. Close to the Brandenburg Gate, where a red line painted on the street traces the route of the Wall, the Reichstag is the strongest symbol of new meaning post-Communist and post-Nazi Berlin. Much of the rest of the city centre is a cacophony of construction sites with contractors racing to beat the Big Move, or renew the utility and transport systems. On Potsdamer Platz, the Sony Center will be the new showpiece. Besides being Sony's European headquarters, the glass and steel building will include a hotel, cinema and a Marlene Dietrich Museum. Twenty per cent of the space will be residential, as in all commercial developments in the centre.

"The planners insist on this," says FPD Savills' Matthias Meyer, "to keep the centre alive." Nearby, the British Embassy is being built next to the now restored Adlon Hotel, where Hitler put up his guests. The huge task of recreating a capital out of the bits that made up the city during the communist years has not impaired Berlin's attractions. It is rich in culture, with a double helping of prestigious venues (until 1989 there had to be one or more of each type for each sector).

And despite the cranes at work creating a new Berlin, it exudes a sense of a significant past. For good and ill, this is a city that has affected the lives of everybody in the 20th century.



Keeping the centre alive: how the Sony Center on Potsdamer Platz will look. Twenty per cent of it has to be residential

Having masses of water and many trees and parks in the middle of the city is a joy. The 19th century boulevards are as majestic as Haussmann's work in Paris. In the west sector, Kurfürstendamm thrives as a smart shopping street, in the east Unter den Linden has almost recovered its full pre-war glory. Rents and prices are higher in the western sector, even though there are more empty flats (10 to 12 per cent, Meyer estimates) than in the east, where the figure is around 7 per cent. There are large numbers awaiting refurbishment in the east. It makes for a tenants' market, says Ehrh, who foresees a continuing switch to owner-occupation (at present it is a low 11 per cent in Berlin), while noting that east Berliners remain keener on renting.

In any property transaction in Berlin, it is vital to know which side of the Wall the property was on. Find

out also, if buying in east Berlin, whether any "restitution" claims are, or may be, outstanding from the presumptive heirs of rightful owners displaced by the Communist government. "Claims are still possible," Meyer warns.

The normal way to measure rents is in D-Marks per square metre per month. In the east the figures for flats range from DM6.5 to DM6.9 and, for new-build, from DM12 to DM16, FPD Savills reports.

In the west the comparable figures run from DM6.5 to DM11.5, according

to quality, and from DM12 to DM18 for new-build flats. The figures would probably be higher if there were not so much accommodation already available.

"There is plenty of space for the civil servants to settle into," says Alexander Lampert of Engels & Völkers, the sole affiliate of Sotheby's International Realty.

The government is placing many officials in Zehlendorf, a leafy residential district close to the centre. Good residential areas nearby include Wilmersdorf, Grunewald and Charlottenburg, with houses that are an enjoyable mix of styles, from Prussian traditional through Art Nouveau and Modernist to post-war functional.

Some areas have the feel of the leafy parts of a US city such as Washington, although here, where space was at such a premium in the western sector after the war, many of the larger houses have lost their gar-

dens to redevelopment. Like renting, buying is measured in D-Marks per square metre. Typical house prices range from DM410,000 (for 100 sq metres of floor space) to DM1.8m (for 200 sq metres) for freestanding houses with a garage in the west sector. FPD Savills reports. They range from DM320,000 to DM900,000 in the east.

Something special, such as a house built around 1900 in Fischerhüttenstrasse in Zehlendorf with about 400 sq metres of floor space, is on offer from the firm for DM3.7m. In Charlottenburg, Engels & Völkers is selling flats in the Leibniz Kolonnen development close to the Ku'damm at prices from DM338,000 to DM1.946m.

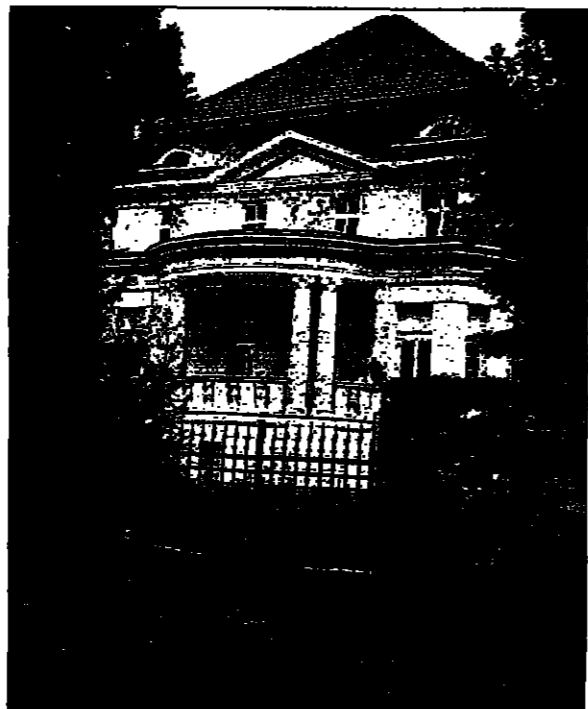
But buyers, especially younger families, are also looking westwards outside Berlin towards Potsdam, to capture the dream of a house and garden of their own. The alternative is to live in the very centre in a dis-

trict such as Mitte, which mostly lies in old east Berlin. This includes flats in the Esplanade Residence in the Sony Center (from DM564,000 to DM2.2m) and flats in a refurbished factory in Melchiorstrasse (DM351,000 to DM784,500). Engels & Völkers is agent for both.

To the north of Mitte, FPD Savills' Meyer recommends looking at Pankow in the east sector and, to the south, Steglitz or, slightly cheaper, the area south of Tempelhof airfield.

Berlin is a vibrant city, with a cheaper cost of living than cities such as Frankfurt. There is plenty of property and values "are likely to stay much the same as they are now," says Ehrh. If you are moving to the city, take your time in picking your new abode.

In Berlin (0049-30): Engels & Völkers, 203460; FPD Savills, 2094 7300. In London (0044-171): Sotheby's International Realty: 0171-393 6443.



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Docklands of the future: a computer-generated impression of how the area will look after developments at Canary Riverside and Canary Wharf are complete

On the Move

Hint of eastern promise

Hong Kong buyers are looking at London again, finds Anne Spackman

After more than a year's absence, Hong Kong-based investors are once again dipping some tentative toes into the central London property market. Two new developments, both on the south bank of the Thames, have each sold about 20 flats at exhibitions in Hong Kong this year.

The figures are nothing like as high as those achieved before south-east Asian stock markets fell in autumn 1997. But they are far better than the ones and twos which have been sold since.

The two schemes marketed in Hong Kong were Butler's and Colonial Wharf, a development by Nicholson Estates at Butler's Wharf, and St George Wharf, a scheme by St George near Vauxhall Bridge. Both schemes are also selling well in the UK to domestic first-time buyers.

Agents believe the key to their success at home and abroad is price; both developers have been selling small, relatively cheap flats. Agents report that there is still no interest in Hong Kong in medium to high priced property.

The success of these ventures has encouraged Berkeley Homes to market three London developments in Hong Kong. Hampton's will be offering flats on King's Road in Chelsea, in Vincent Square, Westminster, and at Prescot Street in the City in a fortnight.

Robin Paterson says they have been persuaded to test the market by the good response to adverts in Hong Kong, mainly from expatriates.

Agents are not yet willing to try selling London homes in Singapore, but Singaporean developers are also trying in the UK to double the average new-build size, but the prices are correspondingly high. One-bedroom flats cost about £300,000 and two-bedrooms about £410,000.

The space is impressive and there are big views - but they are principally of Rotherhithe and there is little outside space from which to enjoy them. The finish is hotel-smart rather than spectacular.

The development team hopes buyers and tenants will come from the impressive list of employees now based five minutes away at Canary Wharf. So far, the trendier among them have been persuaded to buy warehouses in schemes such as the neighbouring West India Quay. It remains to be seen whether the slightly older corporate customers can be wooed away from west London into the many large flats in Canary Riverside.

Our dream home - and within budget

Walter Ellis worked hard to find his French hideaway

It was a weekend trip to Normandy that persuaded us that we needed an elegant town house in Dieppe to give our crowded lives room to breathe. We would scud across the Channel by catamaran on a Friday evening, arriving in time to raise a glass or two to Oscar Wilde in the Café des Tribunaux.

On Saturday, we would shop at the market walk along the cliffs of the Côte d'Albatre. Lunch on Sunday would be oysters and mussels at a little place next to the harbour. When we arrived back in London on Monday morning, we would be refreshed and ready for anything.

Of big city living. What we wanted was a place we could go to for a week or 10 days at a time; somewhere we could work but which would let us, at least, believe we had left the rat race.

I don't know what it was that made us think of Brittany. Even at the level of anecdote, it remained virgin territory. Not our first day especially was our first day especially promising. We met a French sales representative in the central town of Josselin but she appeared to have only the vaguest notion of what we were looking for. Everything was unsuitable - either breaking our £40,000 budget or our stipulation that we were not interested in renovation projects.

vous with an agent from Vivre en France (VEF). We were in no mood to see another half-rotten shack surrounded by rat-infested scrub. It was with a sense of relief bordering on joy that we encountered Colin and Jenny Trayte.

The Traytes began in the French property business nine years ago and are now VEF's representatives in Brittany. They match people to properties, in accordance with expressed preferences and budgets. They do not waste time - try to persuade round pegs to square holes, or refurbish, square holes.

We discussed what was available and then set off to take a look. Within two hours we had found what we wanted. It was not the stone-built Breton cottage of our dreams (so far as Colin knew, it had been built in the 1850s), but it had fireplaces, wooden floors, two bedrooms, a large kitchen, a living room, lots of windows and a cellar. It was set on the side of a gentle hill with close to an acre of land and looked down to a river valley leading to a lake on the outskirts of Callac.

One potential purchase was approached through some hard stares from locals

The first house we saw, in Josselin itself (a delightful town with a fairy tale castle), was right on the main street, slate grey inside and out and colder than a witch's promise. Property two was vast and brimful of potential - if we could have afforded the £45,000 asking price and the additional £25,000 needed to bring it up to scratch.

Third was a home in the "Village of the Damned". No one seemed to live there. The house had a splendid walled garden but "needs work" was a sad understatement. Like many former English projects in France, it had foundered for lack of cash, interest or marital harmony.

The next was fine except it was right next to a cowshed on a working farm. House number five was an upmarket gite, with just a strip of garden, that cost a good £10,000 more than our upper limit.

On the Monday morning, we drove for two hours to the market town of Callac and a rendez-

And all for less than £30,000, including commission, lawyer's fees and taxes. We were within budget and had not had to skimp on quality to get there.

Our advice to those hoping to realise their dream of a French retreat? Do not be downhearted and do not give up even when you know you are beaten. And bear the following in mind:

- Make sure your agent knows what you want and, just as important, what you do not want.
- Understand what you are getting yourself into and what French law requires of you.
- Work out how often you can get there and what it will cost. An unused house is a sad thing and a waste of money.
- Do not regard your property as an investment. While you may reasonably expect to rent it out in the summer months, it is highly unlikely to soar in value. French rural property is not like that and exchange rates can go down as well as up.

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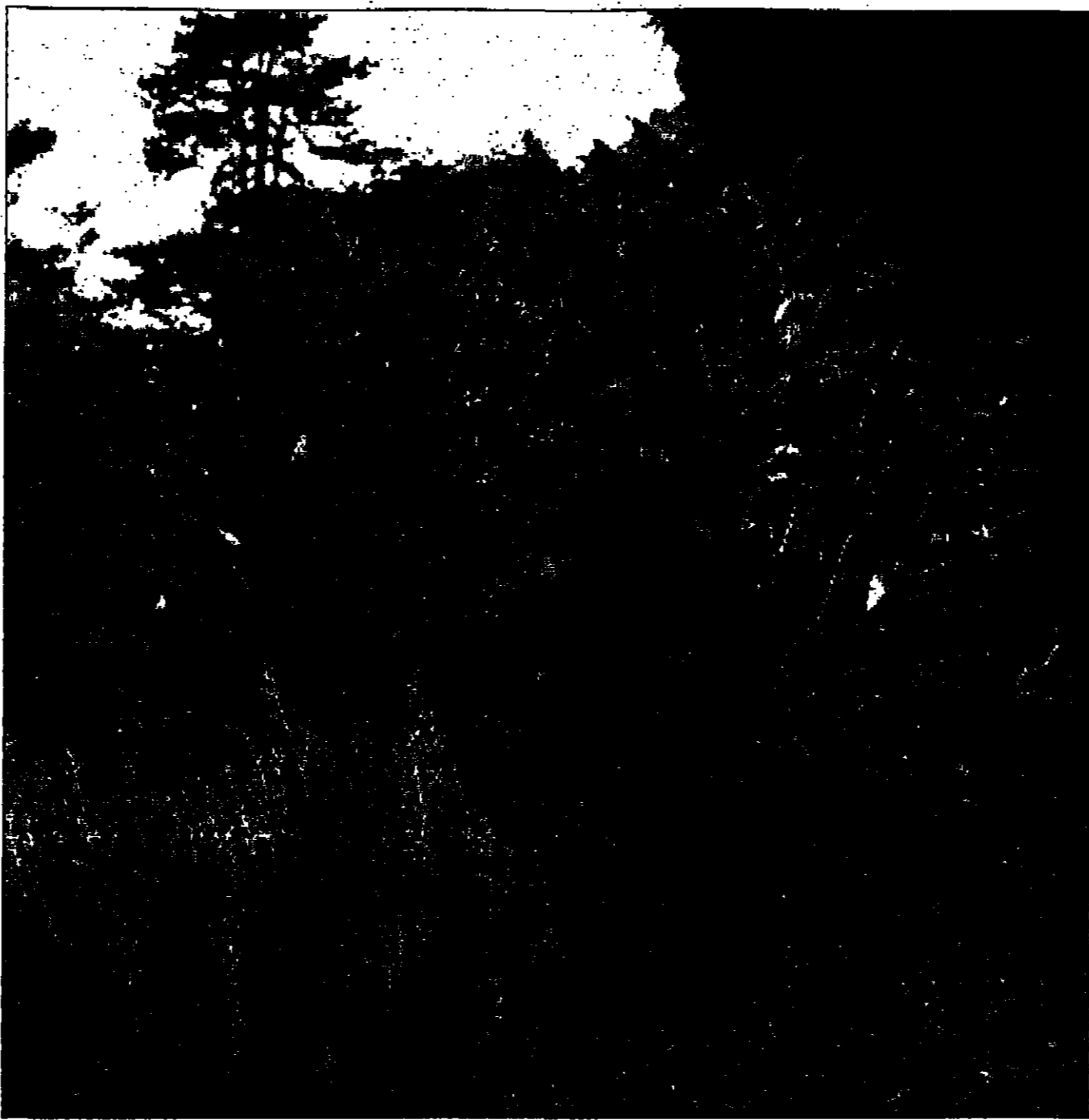
With two key weekends ahead, do not be tempted to shirk pruning on the grounds that everything is growing well, says Robin Lane Fox

This winter many of the roses against walls and buildings have yet to lose their leaves. My flowering pear trees still have last season's leaves while this year's flower-buds are well formed for an early show. At the same time, new growth is starting to break on anything in a sheltered place. If you looked at some of my honeysuckles, you would assume it was late March.

How do we handle this inconclusive growth? The next two weekends are key moments in the pruning season, even in our new warm brand of English winter. You may have hated the job in the days when the wind tried to freeze off those of your fingers which the roses had not already stabbed. On a mild February weekend it is a much more pleasant affair. Do not be tempted to shirk it on the grounds that everything is growing well enough already.

Your clematises are urgent candidates for review. There are fine points to pruning some of them, but the first question to ask yourself is whether the variety before you flowers after mid-summer, towards the end of June. If it does, it needs a hard cut back so that the previous year's growth comes down to a final pair of buds at its base. Usually, you will find them within a foot or two of the ground. Leave them as the new starting point and simply cut off everything above, as if it was a weed. Pull it off the wall or supporting shrub and cart it away. Later-flowering clematises are treated almost like a herbaceous plant. The classic examples are the violet-purple Jackmanii, one of the most popular of all in this country. My special favourite, the sky-blue Perle d'Azur, also needs a cut to the base. So do other good friends among the species clematis, especially the yellow-flowered varieties whose thick top growth is now miserably brown and whose fluffy seed heads have lost their early silkiness.

The small-flowered Clematis flammula is also ripe for treatment, something which keeps this usefully drought-tolerant plant from going totally bare at the base. You might be tempted to transfer the same treatment to your honeysuckles. The temptation should be resisted. The evergreen forms, especially Lonicera japonica Halliana, can be cut very hard if a former owner has left them to grow into chaos. However, varieties of the native woodbine should be left alone, although they are shooting in a green and pleasant way which might invite your secateurs in. The popular recent variety called Graham Thomas is also one of this group.



Buddleia Lochinch: for a show like this, prune it pretty hard now

Garden Picture Library

Gardening

The kindest cuts should be made now

Leave these alone now and only prune them in early summer when the flowers have dropped. This year's flowers will form on the short side-shoots which develop from a stronger stem, made in the previous year. Buddleias are another big temptation. They may have flowered so well last autumn that you have not yet de-stemmed them and young shoots may just be beginning on the likes of the lovely pale lavender Lochinch variety. In fact, you can prune them pretty hard now, taking them down near to the base as if they were a late-flowering clematis.

Every year, we cut back a very old specimen to a thick trunk about 3ft from the ground. It seems to thrive and may well have lived longer for this drastic treatment. Buddleias look miser-

able in winter and it is good to be able to decapitate them before the mid-April starting point which older gardeners used to recommend. The most important candidates of all are the roses. I have always been a February pruner and this year I will coincide with no end of young growth already bursting into leaf. Some of my oldest bushes are the reliable Hybrid Musk varieties. The likes of Felicia and Buff Beauty can be shortened now by cutting at least a third off the main shoots and taking out any thin growth and anything that is brown and dead. The harder you prune them, the later they will flower, but the operation stops them from becoming too bare at the base and too cluttered in the centre of the bush to receive much light and make good progress. The

one-third rule is a minimum that applies to all the old-fashioned varieties. If you want to economise on effort, the big Rugosa roses, such as the lovely Blanc Double de Coubert can be left alone altogether. So far, for reluctant gardeners, there is some good news. All these clematis, honeysuckle and rose varieties could be left alone for another year without actually ruining them. The results will be increasingly untidy, best seen in those familiar specimens of purple Jackmanii clematis in so many British gardens which flower in one terrible tangle at their top. However, there is one particular candidate which should never be overlooked. Many of you will be planting new roses in the next few weeks and unless they are very short-stemmed indeed, you should certainly prune the plants you receive. No task is harder for impatient gardeners who measure the future by the length of what they buy. However, it is an essential first step to far better performance in future. It is the treatment which stops that endemic English complaint, bare-legged rose bushes and climbing roses. They can never be easily thickened at the base in later years. They exist because their owners were too timid in some past February or March. Most of the roses which you buy will be better for further shortening down to a bud which is close to the ground. Picture the growth that will then burst at that height and do not feel too charitable to anything you buy with longer twigs. The best sort of start-up is extremely savage.

Honey, you shrunk the shrubs

Roy Barnes found his winter garden plans almost ruined by a nasty fungus

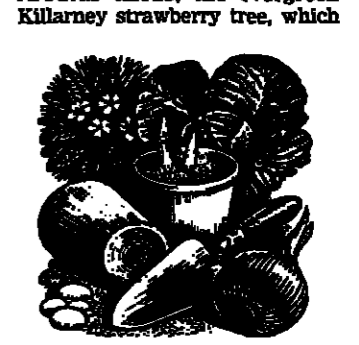
What had once been an evergreen shrubbery 50 years ago had turned itself into an impenetrable jungle. It was an area ripe for rehabilitation and conversion to a winter garden of colour and scent. It was also my baptism of fire into the art of gardening, an experience on which I cut and broke my teeth, but which taught me a great deal.

Despite the neglect, the original background of laurels was still there, towering 30ft tall trees with brambles climbing to the tops. Here and there a few other things peeped through the undergrowth, a half-dead Judas tree, a Viburnum tinus, growing as sturdily as the elders that were trying to smother it. Some slender stems of Danae racemosa, the Alexandrian laurel, beloved of flower-arrangers, stood as if on guard around an ivy-covered, tomb-like object, which turned out to be the superstructure of an Edwardian sewage disposal unit. One could not see why subsequent owners had left the place alone.

Our organic gardening principles denied us the use of herbicides, so site clearance was a muscle-aching process. We dug out the head-high beds of nettle and dock and almost ruined the hired rotavator by running it into the concealed stump of an old sycamore that someone had left after felling the tree years before. This was not the only trouble this stump would give us.

The soil proved to be solid, deeply alkaline clay, but we managed to turn it, ploughing in the smaller weeds - green manure, we thought. Time to send for Ken, dendrologist, landscaper and amateur scientist, man of few words and much knowledge. "You shouldn't have rotavated it," he told us. We had apparently spread cuttings of ground elder all over the site, and you need only a piece the size of a fingernail to start a colony. Worse than that, in the roots of the rotting sycamore he found the dreaded botrytis, which later he confirmed was the deadliest of all the honey funguses, armillaria mellea. This would have been the ideal time to throw in the towel, but we pressed on. Because of the honey fungus, abandoned were plans for the lovely pink-tinted white flowers of Prunus subhirtella pendula Autumnalis to brighten our darkness from December to February, for the Acer palmatum Senkaki to bare its coral bark or Prunus tenella to herald spring with its dark pink flowers. So what can you do in such desperate circumstances? First, you double-dig the whole site and import two tons of grit and sharp sand, then you cover the whole area with strong borti-

cultural mesh to keep the weeds down. You can mulch with ground-up bark to make it look nice, but be careful. We used the bark of an ash which had not quite been killed by honey fungus - tantamount to spreading thousands of ash cuttings over the area. The following spring we had an ash grove of 3in saplings. Shrubs that have survived include: the small tree, Clerodendrum trichotomum, whose sweet-scented white October flowers are followed by bright blue and pink fruits in the winter; a winter-flowering honeysuckle, Lonicera purpurea, a spreading tall shrub, not a climber, which has soft-smelling pale cream flowers throughout the whole winter; Arbutus unedo, the evergreen Killarney strawberry tree, which



bears its flowers and fruits together in late autumn; Mahonia japonica with arching racemes of pale yellow flowers all winter, its cousin Mahonia media Winter Sun, with long-lasting lemon-yellow flowers and deeply pinnate pinkish leaves; Fatsia japonica, an exotic-looking evergreen, displaying 9in spikes of cream-coloured umbels in early winter and huge deep green five-lobed fig-like leaves all year. Sarcococca hookeriana digyna sends out sweet scents from tiny flowers all winter. The variegated leaves of Euonymus fortunei Emerald 'n' Gold and Elaeagnus pungens Maculata shine out like beacons. Fuchsia magellanica, Rosa rugosa, Rhamnus alaternus are all hugely flourishing and Hebe salicifolia seems to have developed a symbiotic relationship with armillaria mellea. The Chinese witch hazel, Hamamelis mollis, turned very sad and now removed survives happily in a tub of ericaceous soil, but the old laurels are gradually dying. At floor level, Epimediums send up racemes of white, red, pink or purple flowers in early spring; the winter heather, Erica carnea, starts flowering in late January and goes on and on for three months and is spreading fast. Gaps are filled by low-growing perennials and autumn and spring-flowering bulbs: Liriope muscari, Erythronium tuolumnense, Helleborus atrorubens, Bergenia, Cyclamen neapolitanum, all of which seem to enjoy being where they are.

Motoring

Our affair with on-off roaders is on

A sceptical Stuart Marshall samples the latest sports utility offerings

The American way of life has made significant incursions into Britain for a good 40 years at least. Young people in the UK, and plenty of adults old enough to know better, are junk food addicts and seem to live in baseball caps, jeans and trainers. Teenagers in Washington, Tyne and Wear, are dressed much the same as those in Washington DC. Cars could be next, although in a way the trend has been in the opposite direction over recent years. Detroit long ago killed off its behemoths. Today's American cars are so European in size and style that a Chrysler Neon could as easily be a Ford Mondeo or Vauxhall Vectra. A Cadillac Seville would sit alongside a Mercedes 300E or BMW 525i in the senior management car park without seeming outlandish.

But to talk of American cars and mean only sedans (saloons) and station wagons (estate cars) is misleading. For several years their share of annual US car sales has shrunk as that of pick-up trucks and 4x4 sports utilities has risen. When I was in Seattle late last year, it seemed that pick-ups and four-by-fours actually outnumbered ordinary passenger cars.

In this aspect of the American way of life also going to cross the Atlantic? To a degree, it already has. The motor industry has had no luck in persuading Europeans to have pick-up trucks instead of smallish family hatchbacks as second cars. But the sports utility (or recreational on-off roader) is flourishing, as a glance around any superstore car park will confirm. Why this should be so is one of life's minor mysteries.

They cost more than conventional cars, their high clearance, heavy wheels and tyres and rugged suspension - essential for off-road mobility - do nothing to improve handling comfort. If petrol-engined, their bluff, un-aerodynamic shape gives them a drinking problem. The industry is well aware that these on-off road vehicles will spend most, if not all, of their working life on good roads. So, it has evolved a new kind of sports utility - the Land Rover Freelander - a good example - which drives more like a car but can cope with conditions under foot that no normal car would look at. Mercedes-Benz has attacked the premium end of this sports utility market niche with the M-class, which is built in the US. Behind the wheel, so similar are

the fascia and instruments you could believe you were in the latest Mercedes S-class saloon. A steeper slant to the windscreen than most on-off roaders have, and an unexpectedly resilient ride, add to the illusion. The high build of the M-class lets you look over hedge-tops, not into hedge-bottoms. But handling is far from ponderous and a compact turning circle makes this big vehicle easy to park. The M-class is permanently in four-wheel-drive and a low range of gears for serious off-roading is engaged at the touch of a button. It is massively roomy for five people and the loadspace is big enough for two sets of golf clubs and power trolleys. When off-roading, the same electronic systems that aid on-road handling and cornering stability stiffen

and-price scale is Honda's new HR-V, which has four-wheel drive that cuts in automatically only when needed - as it might be on a frosty morning or when driving across a damp meadow. Honda describes it as a joy machine and does not pretend it will ever be used for "wide-brimmed" off-roading. Young people with reasonable salaries, no children to feed, clothed and educated and a liking for surfing by day (in the sea, not on the net) and clubbing by night are the buyers Honda has in its sights. The HR-V might best be described as a two-door version of the Honda CR-V estate and its most obvious rivals are the now elderly short-wheelbase Toyota RAV4 and the Suzuki Jimny, though the Jimny has high- and low-range gears and is at



More suitable for couples than families: Honda's HR-V is a four-wheel driven joy machine for the young and trendy

home in Land Rover territory. On road - there was no opportunity to drive it on unmetalled surfaces at the launch in Spain last week - the HR-V feels like a hot hatchback with the sting removed. The 1.6-litre, 105-horsepower engine is quite strong enough and is of Honda's traditional silkiness. The standard 5-speed gearbox is, too, but even better suited to the HR-V's role is an optional extra CVT (continuously variable transmission). This combines the relaxation and driving ease of a conventional automatic while giving similar fuel economy (about 33mpg or 8.5l/100km) to a manual gearbox. The HR-V will carry four people but is better at transporting couples than families - they should go for the longer, 5-door

CR-V. If two fairly long-legged people are up front, the HR-V is cramped in the rear and the load floor is adequate rather than spacious. But it is very nimble in town and sure-footed on curving, hilly country roads. On a motorway, the CVT version is better than the manual model because the engine does not have to spin so quickly - not that high revolutions have ever made a Honda engine become uncouth. Prices: £13,995 (manual gears), £14,995 (CVT). A cheaper version with front-wheel, not four-wheel, drive will be added in the autumn. Mitsubishi's Challenger 4x4 estate has pick-up truck underpinnings and high/low ranges of gears which make it a most capable off-roader. On road, in rear-wheel drive, the 2.5-litre turbo-diesel I tried was surprisingly civilised. I have found radio listening more difficult on motorways in wide-tyred executive saloons. For driving on really rough ground, a pull on a second gear lever engages front-wheel drive. As the engine has been around for some years it has indirect injection. It cannot match the economy of the latest direct injection engines and, even more so, those with very high pressure, electronically controlled "common rail" injection. Even so, sympathetic drivers should see up to 28mpg (10l/100km) providing they do not go too quickly on motorways. The Challenger is lower in the sports utility pecking order than, say, a Land Rover Discovery or Mitsubishi Shogun but so is its price. At £20,965 it compares closely with a Jeep Cherokee 2.5TD Sport or Vauxhall Frontera 2.2 TD. High-mileage owners will not approve of the 4,500-mile servicing intervals, a consequence of the engine being rather long in the tooth.

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Full recognition at last: even though Matt Dawson, above left, has 18 England caps, today is the first time he has been chosen as the No 1 scrum-half

David Rogers/Agf

Rugby England expects and Dawson stands ready to deliver

Huw Richards sees justice done in the battle to fill the scrum-half slot against Scotland today

Selecting international teams in any sport is arbitrary and occasionally cruel. The number of places is limited, winning the sole aim and fairness not a consideration. So there is particular pleasure amid the cold realpolitik when justice is seen to be done, and a long battle for recognition is rewarded.

Few events are more popular than a long-serving, long-suffering stalwart finally cracking the international magic circle. Hence the genuine delight of English fans, not to mention many journalists, when centre Damian Hopley finally won a cap during the 1995 World Cup after distinguished service on the replacement bench.

The selection of Matt Dawson as scrum-half for England against Scotland in today's European Five Nations clash at Murrayfield satisfies the same sense of justice. This might seem odd - at 26, Dawson is far from the veteran class, has played the majority of England's games in the last year and with 18 caps, plus three appearances for the British Lions, is no international novice.

Yet it is the first time for three years that he has been recognised as England's No 1 scrum-half. While announcing a team sticking as closely as possible to the side that beat world champions South Africa 13-7 in December, England coach Clive Woodward acknowledged one significant shift in thinking: "It is the first time I have chosen Matt Dawson over Kyran Bracken when they have both been fit and available."

Jonny Wilkinson's introduction at centre follows Phil de Glanville's injury while right winger David Rees is now the established first choice when fit. To welcome Dawson's elevation is not to celebrate Bracken's disappointment. He has been playing superbly for his club Saracens and is unlucky that England, so often wanting in the half-back



Saracens' Kyran Bracken, right: unlucky to lose out after superb performances for his club side

David Rogers/Agf

positions, can choose from two scrum-halves of unquestioned international quality. Woodward has said the competition stimulates both to excel, and Dawson agrees: "I know that with Kyran there I can take nothing for granted and that I have to play well to keep my place."

There is no doubt that Dawson deserves his shot. He may be short on the intangibles of star quality - something Bracken, who once appeared in Cosmopolitan wearing only a loin-cloth and an uneasy smile, has in profusion - but over the past couple of years he has proved himself one of the most durable and effective players in British rugby.

Luck has played its part. He was fortunate, when only fourth in the England pecking order in 1997, that the British Lions coach was Ian McGeechan who, as his club coach at Northampton, was

well aware of his qualities. If first-choice scrum-half Robert Howley had not been ruled out of the test series on the 1997 Lions tour of South Africa, or Bracken been less injury-prone over the past four years, Dawson would have enjoyed fewer international opportunities.

But he has taken his chances with aplomb. It was in any case selectorial madness that he dropped as low as fourth after doing little wrong in his early international appearances.

Dawson is a big-match player. Colin Deans, the former Scotland captain who assists McGeechan as coach at Northampton, says: "He occasionally disappoints at club level, where he sometimes tries to take too much on himself, but hardly ever at international level." And he thrives on southern hemisphere opposition. The waking thoughts of South

African rugby players and coaches almost certainly focus more on New Zealand than any other opponent. But if any player is likely to figure in Springbok nightmares, it is Dawson.

Most observers downgraded the 1997 Lions from "unfancied" to "written off" when Howley was injured. Dawson, happily, was more confident: "Rob Howley, Austin Healey and myself were all confident we could play scrum-half well in the tests."

He more than justified his self-confidence, striking the decisive blow in the first test with an audacious dummy and dash to score. And he beat the Springboks, previously unbeaten in 18 matches, again last December.

Only an occasional goal-kicker, he coolly converted two penalty kicks late in the second half to secure England's 13-7 victory. In between came England's

summer 1998 tour of Australia, New Zealand and South Africa - an insanely demanding itinerary even for a full-strength squad, undertaken minus almost an entire first-choice team. Dawson went as captain: "The tour should never have gone and they had no chance with so many inexperienced players. It could have been very bad for him. But he did very well," says Deans.

Dawson played brilliantly at scrum-half - scoring in both tests against New Zealand - and his captaincy helped ensure that a hopelessly outmatched squad emerged with some credibility.

Deans describes him as the sort of player you hate playing against. He never gives you a moment's peace and you never know what he is going to do.

He is a constant threat, and if you allow him an inch he will take yards. He is an all-rounder, a player of quality who does a bit of everything.

Whom you choose, Deans acknowledges, is a matter of what type of game you intend to play. Bracken's greater pace makes him a serious attacking threat, although Dawson is probably the more elusive runner. Bracken possibly also has the edge as a tactical kicker.

But even more than footballing skills which once interested Chelsea, Dawson's great asset is coolness of nerve. A crucial goal-kick can frazzle the nerves of the toughest and most talented.

South Africa's Percy Montgomerie, one of the most prolific kickers in the world, made a horrible hash of a simple penalty in the final stages of their defeat by England. Dawson landed two much tougher kicks. He says: "I enjoy kicking. You are on a knife-edge. You might be a fall guy or a hero."

He believes he can look forward to an exciting year. "We have a team which is certainly capable of winning the World Cup." If England expects, this man will certainly do his duty.

Patrick Harverson

TV sets out to turn on the women

As anyone involved in sport where they think future growth in audiences will come from, and the answer invariably will be women.

Given the exhaustive coverage and sound promotional hype that accompanies even the most insignificant of events these days ("Tonight, exclusive on Sky Sports 4, the Big One, the Premier League final of the World Indoor Naked Canoeing Championships, live from Newbury"), there cannot be a single adult male interested in team games left anywhere on the planet who is not already hooked on the wonderful, wide world of professional sport.

Among the other 50 per cent of the population, however, there is ample room for improvement. In Atlanta, for example, in recent years television coverage of the Olympics has been built around the premise that if the programmes focus primarily on the "human" side of the competitors ("Spunky Young Gymnast Wants to Win Gold for Cancer-Stricken Mom"), female viewers will watch in their millions.

American TV executives believe that during the Winter Olympics women will be glued to the tube if they know all about the lives and loves of lugers. And they have been proved right. TV ratings for the Lillehammer games in 1994, when the technique was first tried, were strong, boosted by an unusually high number of women viewers. In Britain, however, they do things differently. When sport wants to attract women, they turn to sex, not soap.

This week, the Super League launched a new advertising campaign featuring pictures of the damp, naked bodies of rugby league's hunkiest stars, while next week Outspan, the oranges group, is launching its sponsorship of the Cricket World Cup with pictures of a shirtless cricketer in a state of what appears to be some excitement, judging by the bulge in his neatly pressed flannels.

Accompanying these subtle images is some equally subtle word play. "I like it hard and fast and straight up the middle," says a women rugby league fan in the Super League's new cinema advert. Outspan takes the less direct approach, with its promise to "bow the maidens over" during the World Cup, a pun so original it must have taken the company's ad agency at least a week to think it up.

Clearly, both rugby league and cricket - two sports struggling to catch the public's eye in an increasingly football-obsessed world - believe they can woo women viewers and spectators by appealing to their baser instincts.

This is the same thinking behind the old theory that snooker attracted large television audiences because women viewers liked watching men in tight trousers bending over the baize. Unfortunately, TV ratings for snooker today are a fraction of what they were during the sport's heyday a decade or more ago, yet the bow-tie brigade is still bending over the baize with the same enthusiasm as in the 1980s. So much for that theory.

What the men who run rugby league and cricket fail to realise is that sport is in general not remotely sexy (tennis perhaps being the obvious exception).

In fact, among all team sports, it is difficult to think of two less likely to get the juices flowing (the Outspan puns are catching) than rugby league and cricket.

Just reciting the names of league teams - Widnes, Wakefield, Dewsbury, Oldham, Salford - is like taking a cold

shower in a convent. Some of the players may be pleasingly beefy to the female eye (and some male eyes, for that matter), but a wet Wednesday night in Wigan is hardly the place to bring dormant passions to life.

Cricket is not far behind rugby league in the sexless stakes, with its antiquated rhythms (cucumber sandwiches, fruit cake and tea at four o'clock - what a turn-on) and somnolent pace.

Alex Stewart, England's straight-backed sergeant-major of a skipper, could not be less sexy if he tried. And English cricket's most famous fan is that old head-turner John Major.

It probably has not occurred to the marketing geniuses behind these two campaigns that maybe the most effective way to sell their sport to women is to stress its entertainment value.

As radical as that may seem, women are not necessarily going to be turned off (there I go again) by the suggestion they may simply enjoy sport for sport's sake.

□ □ □

Jackie Stewart, one of motor racing's greatest champions, went to Indianapolis this week to spread the Formula One gospel in a country where motor sport is a kind of god. (The Scotsman was there to promote next year's US Grand Prix - the first since 1991 - which will be held at the famous circuit.)

Superficially, the cars driven on the US Indy and Cart championship circuits might look much like F1 machines (almost all the cars are designed and built in England), but the cultures of American and the

In deciding to slum it at Indianapolis, F1 is bowing to economic realities

European-dominated Grand Prix racing could not be farther apart.

Although the Indianapolis Speedway is in the midwest, the heartland of American motor racing is the south where the sport, and particularly the hugely popular stock car racing, is very much a blue-collar pursuit.

The Daytona 500 in Florida typifies American motor sport - largely southern drivers working for southern teams, racing in front of a raucous southern crowd - and last weekend the country's biggest event drew 185,000 fans to the circuit and a huge TV audience.

In Formula One, the only blue collars to be seen are on the hand-made silk shirts of the Italian aristocrats who follow the Ferrari team. Long dominated by the moneyed upper classes of Europe, the Grand Prix circuit is the poorest show in motor town.

However, in deciding to slum it at Indianapolis next year, F1 is bowing to economic realities. For sponsors and broadcasters, the US is where the really big money is - this year's Daytona 500 winner took home a prize of \$2.1m - and Formula One is desperate to get its hands on some of those dollars.

Stewart said he was impressed by the plans for next year's Grand Prix at the Speedway, and so he should be, because it is a magnificent sporting arena.

Whether the local fans, used to the cold beer and burgers of American motor racing, will be as impressed by the champagne and caviar of F1, is another matter.

Golf / Derek Lawrenson

Is Nick still a match for Tiger?

It has been billed as the tournament that will usher in a new era and certainly no event could ask for a better start in life than a match in the first round that pits the best player of the previous generation against the leading player of today.

Nick Faldo against Tiger Woods will be the game that draws everyone's attention when the Andersen Consulting World Matchplay Championship gets under way at La Costa, near San Diego, California, next Wednesday.

This will be the first of three new tournaments this year under the auspices of the World Golf Championships. These events have been introduced to satisfy the players' demands to meet more often than during the four major championships (US and British Opens, USPGA and US Masters) and the Players' Championship in Florida each March.

Perhaps inevitably it has led some to wonder whether this is the start of a World Tour for the

sport, rather like the one in place in tennis. It is not stretching the imagination to conceive of more of these events being introduced in the new millennium. This year two will take place in America and one in Europe but perhaps in five years there will be one every season in Australia, South Africa, and Japan as well.

A broader World Tour than that, however, seems unlikely. The European Tour and the United States Tour are both thriving and are the driving forces behind these events; they are hardly likely to advocate revolution when everything is going so smoothly.

My confident prediction is that of the three taking place this year next week's matchplay will be the most prestigious, if only

because the game has been crying out for just such an event for 40 years.

It was in 1958 that the Professional Golfers' Association of America took the momentous decision to convert the USPGA Championship from matchplay to stroke play. Almost instantly it was a decision decreed by traditionalists, who were content that one of the four majors was played in a different format from the rest.

There was also the fact that the PGA took the decision for completely the wrong reason: to placate television. The broadcasters had become increasingly frustrated by matches that did not finish at precisely the moment they had planned in their schedules, and so demanded that the

PGA go to stroke play, where they would not be similarly inconvenienced.

Given that the British Matchplay Championship, upon which the event had been based, was no more, and with the Ryder Cup provoking little interest because it was so one-sided, that appeared to be it in the professional arena for the oldest form of golf.

Things could hardly be more different in 1999. The Ryder Cup has become one of the leading events in sport, while America's three main networks scratched each other's eyes out for the right to broadcast next week's event at La Costa.

The Andersen Consulting Matchplay Championship is limited to the top 64 players available from the world rankings;

only Jumbo Ozaki has passed up the invitation, which no doubt has pleased the sponsors because it has let in Faldo.

The championship will take place over five days with each match decided over 18 holes, apart from the 90-hole final. The draw will see the world's No 1 play the lowest-ranked entry and so on, which is why Woods will play Faldo in the first round, barring last-minute withdrawals.

On the face of it, Faldo has an unenviable task but the joy of matchplay is its sheer unpredictability. Colin Montgomerie compares this format to deciding a tennis match over one set but that is an exaggeration; perhaps three sets instead of five is a better analogy. Whatever the comparison, Faldo has been

presented with a wonderful opportunity to get his career back on track.

The players who compete on the United States Tour will begin with a decided advantage. La Costa was, until this year, the perennial home of the season-opening Tournament of Champions event, and so its subtleties will be well known to the players who have qualified in the past for that event.

Woods is a former winner, as is Mark O'Meara, while Steve Elkington and Phil Mickelson have both won it on a couple of occasions.

But will he feel at home at matchplay, where a card and pencil become irrelevant and the requirement is simply to outwit the opponent standing opposite?

Ernie Els is the player who has looked most at home in matchplay tournaments in recent years.

In five appearances in the World Matchplay held at Wentworth near London each autumn he has won three times and lost once in the final.

But the field there is limited to 12 golfers and each match is over the more classic distance of 36 holes. Sadly, 64 players and the modern pace of play make this impossible at La Costa.

It will still be an intriguing occasion, the most exciting introduction to the golf calendar for several decades. It will also complete the rehabilitation of matchplay golf, the enduring virtues of which have now survived every whim and fancy, even the ultimate behemoth: the television scheduler.

Cheers No 1271: 1 Rd/77 K&7 W card or card 2 Rd/77, and 3 Rd/1 match 2 Rd/1, K&6 3 Rd/5, odds 4 Rd/8 N&5 5 Rd/6 N&5 Rd/7 7 Rd/8 match.

Vertical sidebar containing various advertisements and logos, including 'What's on around the world', 'AMSTERDAM', 'ESSELS', 'SCAGO', 'ZEELEND', 'ROGNE', 'BREMENHAGEN', and 'WORTH'.

INTERNATIONAL ARTS GUIDE

Opinion

What's on around the world

AMSTERDAM

EXHIBITIONS
Rijksmuseum
 Tel: 31-20-673 2121
 ● **Adriaen de Vries (1566-1626):** Imperial Sculptor. Major celebration of the Dutch sculptor. The 40 bronzes on display include public and private loans; to Mar 14
 ● **Asser: Pioneer of Dutch photography.** Nearly 200 photographs, including portraits and still lifes, made by Edouard Isaac Asser (1809-1894); to Mar 14

OPERA
Netherlands Opera, Het Muziektheater
 Tel: 31-20-551 8911
Carmen: by Bizet. New staging by Andreas Horniki, conducted by Edo de Waart. The designs are by Wolfgang Gussmann and Gabriele Jaenecke, and the cast includes Carmen Oprisanu and Martin Thompson; Feb 21, 24

BERLIN
OPERA
Deutsche Oper
 Tel: 49-30-34384-01
Rise and Fall of the City of Mahagonny: by Kurt Weill, libretto by Brecht. New staging by G3nter Kr3mer, conducted by Lawrence Foster, with designs by Gottfried Pilz and Isabel Ines Glattner; Feb 20, 24

BOLOGNA
OPERA
Teatro Comunale
 Tel: 39-051-529 999
La Bohème: by Puccini. Conducted by Daniele Gatti/Paolo Arrivabeni in a staging by Lorenzo Mariani, with designs by Willy Orlandi; Feb 20, 21, 23, 24, 25

BRUSSELS
OPERA
La Monnaie
 Tel: 32-2-229 1211
Lady Macbeth of Mtsensk: conducted by Antonio Pappano in a new staging by Stein Winga, with sets by Benoit Dugardin and costumes by Jorge Jara; Feb 21

CARDIFF
OPERA
Welsh National Opera
 Tel: 44-1222-464 666
 ● **Hansel and Gretel:** by Humperdinck. Conducted by Wladimir Jurowski in a staging by Richard Jones, premiered in December. Cast includes Imelda Staunton, Linda Kirwan and Nigel Robson; Feb 26
 ● **Peter Grimes:** by Benjamin Britten. Carlo Rizzi conducts a new staging by Peter Steln. With sets by Stefan Mayer and costumes by Molede Bickel. Cast includes John Diczak and Janica Watson; Feb 20, 24

CHICAGO
EXHIBITION
Chicago Cultural Center
 Tel: 1-312-744 6630
The Landmarks of New York and Chicago: display of 150 photographs, celebrating some of the most important buildings in both cities; to May 30

CLEVELAND
EXHIBITION
Cleveland Museum of Art
 Tel: 1-216-421 7340
www.clema.org
 Diego Rivera: Art and Revolution. Major retrospective of the Latin American painter and folk hero. Rivera was a pioneer of the muralist movement, and his work is unique in 20th century art. This show features 125 works and includes public and private loans from Europe, Japan and Mexico; to May 2

COLOGNE
EXHIBITION
Wallraf-Richartz Museum
 Tel: 49-221-223 82
www.museumkoeln.de
Arendt de Gelder (1645-1727): first monographic exhibition devoted to Arendt de Gelder, one of Rembrandt's most prominent pupils. The show includes 58 paintings and 13 drawings as well as 25 graphic works by Rembrandt; from Feb 20 to May 9

COPENHAGEN
EXHIBITION
Louiseana Museum of Modern Art, Humlebaek
 Tel: 45-4919 0719
www.louisiana.dk
Henri Cartier-Bresson: Europeans. Previously seen in Paris and London, this show brings together 185 works ranging across the photographer's career from the 1930s to the present; from Feb 20 to Jun 6

EDINBURGH
OPERA
Edinburgh Festival Theatre
 Tel: 44-131-529 6000
 ● **Scottish Opera: Der Rosenk3nig,** by R. Strauss. New staging by David McVicar, conducted by Richard Armstrong. The cast includes Joan Rodgers; Feb 24
 ● **Scottish Opera: The Magic Fountain,** by Delius. Conducted by Richard Armstrong in a new staging by Aidan Lang, with designs by Ashley Martin-Davis; Feb 28

FORT WORTH
EXHIBITIONS
Kimball Art Museum
 Tel: 1-817-3328451
www.kimballart.org



'Portrait of Adolfo Best Maugard', 1913, by Diego Rivera, at the Cleveland Museum of Art.

● **Gifts of the Nile: Ancient Egyptian** Falcones. Display of ceramics, known as falcones, a mixture worked by the Egyptians and regarded by them as magical. The 200 works on display include loans from public and private collections in the US and Europe; to Apr 25
 ● **Matisse and Picasso: A Gentle Rivalry.** More than 100 paintings, sculptures and drawings on loan from collections around the world make up this first-ever exhibition devoted to the relationship between the two great modernists; to May 2

GLASGOW
EXHIBITION
Scottish Opera, Theatre Royal
 Tel: 44-141-332 9000
The Magic Fountain: by Delius. Conducted by Richard Armstrong in a new staging by Aidan Lang, with designs by Ashley Martin-Davis; Feb 20

HOUSTON
EXHIBITION
Museum of Fine Arts, Houston
 Tel: 1-713-639 7750
www.mfa.org
Bressal: The Eye of Paris. Retrospective of the photographer's work that coincides with the 100th anniversary of his birth. Dubbed 'the eye of Paris' by Henry Miller, Bressal celebrated the city in photographic series. This show includes the widely-acclaimed 'Paris at Night' series; photographs taken during nocturnal wanderings with the flâneur and poet Léon Paul Fargue; to Feb 28

LAUSANNE
EXHIBITION
Musée Cantonal des Beaux-Arts
 Tel: 41-21-312 6332
Courbet - artist and promoter: more than 70 paintings by Gustave Courbet (1819-77), including landscapes, portraits and nudes; to Feb 21

LONDON
CONCERTS
Barbican Hall
 Tel: 44-171-638 8891
 ● **London Symphony Orchestra:** conducted by Lorin Maazel in the UK premiere of his Music for Violin and Orchestra, and in Bartók's First Portrait; and by Wolfgang Gleron in Tchaikovsky's Symphony No. 6; Feb 24, 25
 ● **London Symphony Orchestra and Chorus:** conducted by Myung-whun Chung in Mahler's Symphony No. 2, with soprano Andrea Dantkova and alto Sara Mingardo; Feb 21

Royal Festival Hall
 Tel: 44-171-960 4242
 ● **London Philharmonic Orchestra:** conducted by Jukka-Pekka Saraste in works by Strauss and Beethoven, with soprano Cheryl Studer; Feb 24
 ● **Mikhail Pletner:** recital by the pianist of works by Bach, Mendelssohn, Grieg and Schumann; Feb 21
 ● **Philharmonia Orchestra:** conducted by Leonard Slatkin in works by Karol Husa, Tchaikovsky and Dvorak, with violin soloist Cho-Liang Lin; Feb 20

EXHIBITIONS
Barbican Art Gallery
 Tel: 44-171-638 8891
 ● **Africa by Africa:** A Photographic

View. Spanning the breadth of photography produced in Africa since the 1920s. Includes works by Mama Cassel, Seydou Keita and Samuel Fosso; to Mar 28
 ● **Picasso and Photography:** The Dark Mirror. Exhibition exploring the influence of photography upon Picasso's art; to Mar 28

British Museum
 Tel: 44-171-636 1555
The Golden Sword: Stamford Raffles and the East. Display bringing together biographical material with objects collected by the self-taught scholar who is chiefly remembered as the founder of Singapore. Includes musical instruments, masks and shadow puppets; to Apr 18

National Gallery
 Tel: 44-171-939 3321
Portraits by Ingres: Images of an Epoch. 40 paintings and 50 drawings by the 19th century French painter. Includes major loans from museums in France, the US and elsewhere; to Apr 25

Royal Academy of Arts
 Tel: 44-171-330 8000
Monet in the 20th Century: arriving in London from Boston, this exhibition brings together late works by the founder of Impressionism. The 80 paintings on display include important public and private loans, culminating in a group of seven of the monumental water lily panels which were the triumph of his career. Also included are paintings of London and Venice; to Apr 18

OPERA
English National Opera, London Coliseum
 Tel: 44-171-632 8300
 ● **La Traviata:** by Verdi. Conducted by Michael Lloyd in a revival of Jonathan Miller's staging; Feb 22, 25
 ● **Parasit:** by Wagner. Conducted by Mark Elder in a new staging by Nikolaus Lehnhoff, with sets by Raimund Bauer and costumes by Andrea Schmidt-F3tterer. Cast includes Kim Begley and Jonathan Summers; Feb 20, 23, 26

THEATRE
Albery Theatre
 Tel: 44-171-369 1740
Vassal: by Maxim Gorky. Howard Davies directs Peter Gill's new version of the Russian comedy, with Sheila Hancock in the title role

Barbican Theatre
 Tel: 44-638 8891
 ● **The Merchant of Venice:** by Shakespeare. Royal Shakespeare Company production directed by Gregory Doran with designs by Robert Jones. The cast stars Philip Voss; in repertory to Mar 9
 ● **Measure for Measure:** by Shakespeare. Michael Boyd directs a Royal Shakespeare Company production with a cast including Clare Holman; in repertory to Mar 11
 ● **The Tempest:** by Shakespeare. Adrian Noble directs a Royal Shakespeare Company production, with a cast including David Calder; in repertory to Mar 4

Comedy Theatre
 Tel: 44-171-369 1731
Little Malcolm and his Struggle Against the Eunuchs: by David Hellwell. First seen at Hampstead Theatre, Denis Lawson's production stars Ewan

McGregor
National Theatre, Cottesloe
 Tel: 44-171-928 2252
The Riot: by Nick Darko. New work by the Cornish playwright about the Newlyn Riots of 1896. Directed by Mike Shepherd with a cast including Geoffrey Hutchings

National Theatre, Lyttelton
 Tel: 44-171-928 2252
The Forest: by Alexander Ostrovsky. Adapted by Alan Ayckbourn and directed by Anthony Page, with a cast including Michael Feast, Frances de la Tour and Michael Williams

Piccadilly Theatre
 Tel: 44-171-369 1734
Flumena: by Eduardo de Filippo, translated by Timberlake Wertenbaker. Peter Hall directs Judi Dench and Michael Pennington

LOS ANGELES
CONCERTS
Dorothy Chandler Pavilion
 Tel: 1-213-365 3500
Los Angeles Philharmonic: conducted by Esa-Pekka Salonen in the world premiere of John Adams' 'Naive and Sentimental Music'. Programme also includes works by Haydn and Schumann. With cello soloist Heinrich Schiff; Feb 20, 21

MADRID
EXHIBITION
Thyssen-Bornemisza Museum
 Tel: 34-914-203 944
El Greco: Identity and Transformation. Focusing on the years 1580-1600, this exhibition follows the artist's early apprenticeship in Crete and Italy, in an attempt to shed light on his subsequent 'Spanish transformation'. The 80 works on display include major public and private loans; to May 16

MANCHESTER
CONCERT
Bridgewater Hall
 Tel: 44-161-907 9000
BBC Philharmonic: conducted by Peter Maxwell Davies in the UK premiere of A Reel for Seven Fishermen, and by Vassily Sinaisky in works by Beethoven and Shostakovich, with piano soloist Lars Vogt; Feb 20

MILAN
EXHIBITION
Palazzo Reale
 Tel: 39-02-8691 5738
L'Anima e il Volt: (The Soul and the Face): major exhibition of portraiture, comprising 370 works ranging over 400 years. Artists represented include Titian and Caravaggio; to Mar 14

MONTREAL
EXHIBITION
Montreal Museum of Fine Arts
 Tel: 1-514-285 1600
www.mbam.com
Monet at Giverny: 22 paintings, produced during the last 20 years of the artist's life, loaned by the Musée Marmottan in Paris; to May 9

MUNICH
CONCERTS
Philharmonie Gasteig
 Tel: 49-89-5481 8181
 ● **Munich Philharmonic Orchestra:**

conducted by Ingo Metzmacher in works by Schubert and Henze; Feb 21, 22, 23
 ● **Salzburg Mozart Orchestra:** conducted by Hubert Soudant in works by Beethoven and Tchaikovsky, with piano soloist Valéry Afanasiev; Feb 20

EXHIBITION
Haus der Kunst
 Tel: 49-89-21270
Angelika Kauffman (1741-1807): retrospective of works by the Swiss decorative artist, who was a founder member of London's Royal Academy. Includes paintings, drawings, prints and porcelain; to Apr 18

NEW YORK
CONCERTS
Avery Fisher Hall, Lincoln Center
 Tel: 1-212-875 5030
www.lincolncenter.org
 ● **New York Philharmonic:** conducted by Kurt Masur in works by Menotti and Mahler, with mezzo-soprano Jennifer Larmore, tenor Richard Leech and violin soloist Glenn Dicterow; Feb 20, 23
 ● **New York Philharmonic:** conducted by Kurt Masur in works by Beethoven and Liszt. With piano soloist Hélène Grimaud, viola soloist Rebecca Young and the American Boychoir; Feb 25, 26

DANCE
New York City Ballet, New York State Theater
 Tel: 1-212-870 5570
Celebrating Five Decades of Repertory: the 50th anniversary celebrations continue with a week-long Jerome Robbins festival

EXHIBITIONS
Guggenheim Museum
 Tel: 1-212-423 3500
www.guggenheim.org
Picasso and the War Years 1937-1945: more than 75 works - paintings, sculpture and works on paper - which together explore Picasso's response to the period. Includes major public and private loans; to May 9

Metropolitan Museum of Art
 Tel: 1-212-879 5500
www.metmuseum.org
Dosso Dossi, Court Painter in Renaissance Ferrara: much influenced by Giorgione and Titian, Dosso Dossi was the last of the Ferrarese painters. This exhibition includes rarely lent masterpieces from the Borghese Gallery in Rome and other European collections; to Mar 28

OPERA
Metropolitan Opera, Lincoln Center
 Tel: 1-212-362 6000
www.metopera.org
Mosca and Aron: by Schoenberg. Conducted by James Levine in a staging by Graham Vick, with sets and costumes by Paul Brown. Cast includes Philip Langridge and John Tomlinson; Feb 20, 23, 26

THEATRE
Circle Theatre
 Tel: 1-212-239 6200
Not About Nightingales: by Tennessee Williams. Directed by Trevor Nunn in a National Theatre production first seen in London, starring Corin Redgrave; opens Feb 25

Classic Stage Company
 Tel: 1-212-239 6200
The Misanthrope: by Molière, in a new version by Martin Crimp starring Uma Thurman and Roger Rees

Cort Theatre
 Tel: 1-212-239 6200
The Blue Room: Sam Mendes directs Nicole Kidman and Iain Glen in David Hare's new version of Schnitzler's *La Ronde*

ETHEL BARRETT THEATRE
 Tel: 1-212-239 6200
Electra: Zoe Wamaker plays the title role in David Leveaux's production of Sophocles' tragedy, in a new version by Frank McGuinness

Gramercy Theatre
 Tel: 1-212-777 4900
Ashes to Ashes: by Harold Pinter. Karl Reisz directs Lindsay Duncan and David Strathairn in a Roundabout Theatre staging

Laura Pels Theatre
 Tel: 1-212-719 9300
The Mineola Twins: by Paula Vogel. Black comedy, directed by Joe Mantello. Cast includes Swoozie Kurtz

Majestic Theatre, Brooklyn Academy of Music
 Tel: 1-718-636 4100
Blue Heart: by Caryl Churchill. Double-bill of two one-act plays, first seen at the Royal Court in London. The director is Max Stafford-Clark

New York Theatre Workshop
 Tel: 1-212-780 9037
Bright Lights, Big City: musical version of Jay McInerney's novel, by Paul Scott Goodman. Michael Greif directs; opens Feb 24

Public Theatre
 Tel: 1-212-239 6200
Everybody's Ruby: by Thulani Davis. New play about the murder in 1952 of a white doctor by a black woman, starring Phyllida Rashad as Zora Neale Hurston; previews from Feb 23

PARIS
CONCERTS
Salle Pleyel
 Tel: 33-1-4561 6589
Orchestra de Paris: conducted by Christoph Eschenbach in works by Brahms, with piano soloist Tzimon Barto; Feb 24, 25

Théâtre des Champs Elysées
 Tel: 33-1-4952 5050
Natalia Gutman: morning recital by the cellist of works by Bach and Hindemith; Feb 21

EXHIBITIONS
Grand Palais
 Tel: 33-1-4413 1730
Un an de Cézanne et de Van Gogh: le

docteur Gachet (1828-1908). Exhibition devoted to the doctor and painter who was a friend to Cézanne, Picasso, Monet and Renoir as well as to Van Gogh; to Apr 26, then transferring to New York

Musée du Louvre
 Tel: 33-1-4020 5151
www.louvre.fr
Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings from the Egyptian pharaoh's tomb; to May 10

PRAGUE
DANCE
National Theatre of Prague
 Tel: 420-2-2108 0131
www.nat.cz/nd
The Nutcracker: by Tchaikovsky, in a staging by Russian choreographer Jurij Grigorovic, with sets and costumes by Simon Vrsaladze; Feb 24

ROME
EXHIBITIONS
Galleria Nazionale d'Arte Moderna
 Tel: 39-06-322 881
Picasso 1937-1953: The Italian Years. Around 70 works, including paintings, sculptures, ceramics and drawings, from the period between 1937, when Guernica was shown at the Exposition Universelle in Paris, and 1953, when Picasso himself organised exhibitions in Milan and Rome; to Mar 14

Palazzo delle Esposizioni
 Tel: 39-06-474 5903
 ● **Algará: The Other Face of the Baroque.** First major exhibition devoted to Bernin's great rival, the Bolognese artist Alessandro Algardi. Includes 66 sculptures in bronze, terracotta, marble and silver, and 47 drawings; to Apr 30
 ● **Possini: Early Years in Rome.** Display of 41 works produced between 1824 and 1828. Includes major public and private loans; to Mar 1

SAN FRANCISCO
CONCERTS
Davies Symphony Hall
 Tel: 1-415-864 6000
www.sfsymphony.org
 ● **San Francisco Symphony and Chorus:** conducted by Vladimir Ashkenazy in works by Beethoven and Scriabin-Nemtin. With piano soloists Radu Lupu and Alexei Lubimov; Feb 20
 ● **San Francisco Symphony Orchestra:** conducted by Jeffrey Tate in works by R. Strauss, Humperdinck and Honegger. With flute soloist Paul Benzi and horn Julie Ann Giacobassi; Feb 25, 26

TAMPERE
EXHIBITION
Sara Hildén Art Museum
 Tel: 3583-214 3134
www.tampere.fi/hilden
Tony Cragg: 33 sculptures and a large number of drawings by the British-born artist, now working in Germany. The works on display are from the period 1988-1998; to May 9

THE HAGUE
EXHIBITION
Gemeentemuseum
 Tel: 31-70-3388 1111
Silver from the time of the United East India Company: display of silver manufactured in the 17th and 18th centuries in former Batavia, by Dutch and other European silversmiths. Works from the collection are supplemented with loans; to Mar 21

TOKYO
CONCERTS
Sunory Hall
 Tel: 81-3-3584 9999
 ● **Japan Shinsai Symphony Orchestra:** conducted by Chosui Komatsu in works by Hosokawa, Gershwin and Rachmaninov, with piano soloist Makoto Ozono; Feb 20
 ● **Orchestre National du Capitole de Toulouse:** conducted by Michel Plasson in works by Berlioz, Bizet, Massenet and Debussy, with soprano Leontina Vaduva; Feb 22
 ● **Orchestre National du Capitole de Toulouse:** conducted by Michel Plasson in works by Gounod and Saint-Saëns, with soprano Leontina Vaduva; Feb 23

VIENNA
EXHIBITION
Kunsthistorisches Museum
 Tel: 43-1-712 0495
Jean-Michel Basquiat: Paintings and Works on Paper: 100 works on loan from the Mugar Collection make up the first show in Austria devoted to the black-hispanic US artist, who died in 1988 at the age of 27; to May 2

WASHINGTON
EXHIBITIONS
National Gallery of Art
 Tel: 1-202-737 4215
www.nga.gov
 ● **American Impressionism and Realism:** The Margaret and Raymond Horowitz Collection. 49 paintings and works on paper. Highlights include works by William Merritt Chase, Theodore Robinson and J Alden Weir; to May 9
 ● **John Singer Sargent:** previously seen at the Tate Gallery in London, this show includes more than 100 paintings and watercolours by the American portraitist; to May 31

OPERA
Washington Opera, Kennedy Center
 Tel: 1-202-295 2400
www.dc-opera.org
Boris Godunov: by Mussorgsky. Conducted by Isaak Karabitshevsky in the widely-travelled Tarkovsky staging, revived by Stephen Lawless. Samuel Ramey sings the title role; Feb 20, 23, 25

Arts Guide by Susanna Rustin
 e-mail: susanna.rustin@bt.com
 Additional listings supplied by Artbase, e-mail: artbase@bt.com

Weekend Investor

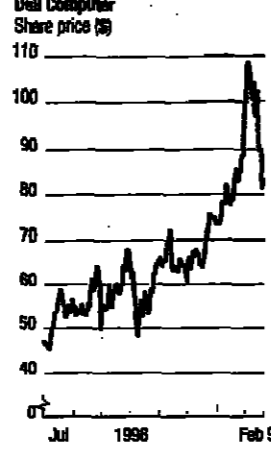
Wall Street

Ding dong Dell, it didn't do very well

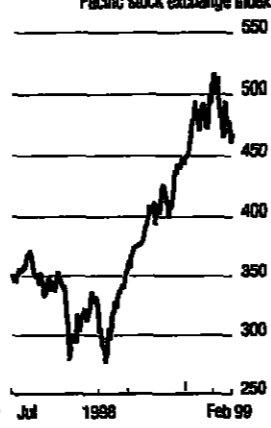
John Labate asks if the computer group's problems mark a trend

Investors on Wall Street can be forgiven for feeling a tad more exasperated than usual this weekend. News moves...

Down but not exactly out



Technology stocks



With the earnings season largely behind the market, the result has been two weeks of very volatile trading.

For the moment, such confusion is not limited to the stock market. The hot national gossip for the week centres on whether First Lady Hillary Clinton will try for a US Senate seat in New York...

In the stock market, this week's leading uncertainty centred on Dell Computer, and the fallout was a drag on confidence in the whole technology sector.

Rumours began to swirl well ahead of Dell's official earnings release late on Tuesday that the company would fall short of expectations.

Most companies would envy having even Dell's "disappointing" results, which showed that the company's revenues for the latest quarter were up 33 per cent, less than had been expected.

Earnings were up a stunning 35 per cent but even that was not enough for investors, who had already begun selling the shares the week before.

The Texas-based company explained that the sales shortfall arose when it failed to cut prices fast enough to compete against its rivals.

would fall on harder times. Dell's shares had reached a closing high of \$108.5 early in February, and by midday yesterday they traded at \$82.5.

The leading indices of high tech stocks were equally thrown off. The Pacific Stock Exchange was down 10 per cent since its late January high.

Dell's recent performance has left investors uncertain over whether the period of adjustment to fast-falling PC prices is limited to the company or a sign of troubles for the sector in general.

The answer will be crucial, and the struggle to understand how widespread the changes are for the industry will lead to further volatility in the weeks and months ahead.

"Technology was the leader coming off last year's October lows," said James Weiss, deputy chief investment officer of equities at State Street Research in Boston. "Nobody can afford to get technology [stocks] wrong. No money manager can afford to do that, so an even more volatile time during the second half of the year. By then, at least, the present period of uncertainty should be a distant memory."

ish expectations. Trade data released yesterday added to the mounting pile of evidence that the US economy has plenty of ride left.

The deficit narrowed in December to \$13.79bn, a big surprise to analysts who had thought that the already strong 3.6 per cent GDP growth rate for the fourth quarter might be adjusted even higher as a result. That could mean fourth quarter GDP could near 6 per cent.

"If the trade gap is really on the mend, we could have the strongest year of the decade [in 1999]," said Peter Canelo, US investment strategist at Morgan Stanley Dean Witter in New York.

The bond market has already adjusted to this new order of economic robustness, sending yields sharply higher in recent months. For watchers of the Federal Reserve, an interest rate reduction later this year appears to be out of the question, with more wondering if the Fed's next move will be to raise rates to cool economic growth.

Of course, a strong economy in 1999 bodes well for stocks, but too much of a good thing, leading to interest rate rises, could make for an even more volatile time during the second half of the year. By then, at least, the present period of uncertainty should be a distant memory.

Dow Jones Ind Average Monday Closed 9,297.03 + 22.14 Tuesday 9,195.47 - 101.56 Wednesday 9,298.63 + 103.16 Friday

London

The rush to return cash

Why the surge in payouts? asks Philip Coggan

You would expect to get cash from a bank. But not quite so much of it. Halifax and the Woolwich were doling out the readies this week, announcing plans to distribute \$1.5bn and \$236m respectively to shareholders in the building societies turned banks.

The steady return of cash to shareholders has been one of the underlying themes of the recent bull market. Over the 1996-97 period, for example, the amount of equity in issue on the stock market fell by \$28bn.

According to Credit Suisse First Boston, there were \$14.2bn of share buy-backs last year and a further \$15bn are expected in 1999. So, equities have been lifted by a classic combination of reduced supply and increased demand as low interest rates cut the attraction of rival investments such as bonds and cash.

Financial theory is generally in favour of returning money to shareholders. If companies have cash and no profitable projects in which to invest it, so the theory goes, they are duty bound to give the money back: shareholders can then use it to invest in companies that do have plans to expand.

It even makes sense for companies to borrow money and buy back shares. The interest on debt is tax-deductible for companies, the payment of dividends is not.

Holding cash on the balance sheet, at a time when interest rates are falling, is a drag on earnings per share. Furthermore, calculations of economic value added (EVA), one of the most fashionable measures of corporate performance measurement, are enhanced by the substitution of debt for equity.

Finally, the government's abolition of the dividend tax credit, and the coming disap-

pearance of advance corporation tax, makes buy-backs more attractive for companies and institutional investors.

There is only one flaw in this rosy scenario. Another foundation for the bull market has been the supposition that the UK corporate sector is flourishing and has very healthy profit prospects; after all, the FTSE All-Share index trades on a price-earnings ratio of nearly 23.

But if the UK corporate sector is doing so well, why is it giving money back to investors? Surely it should be tapping them for new money to pour into all those profitable opportunities? Even if plans such as the Halifax have cash to spare, there should be smaller, fast-growing companies that are calling on investor capital.

However, in the whole of 1998, there were just 11 rights issues of \$50m or more. During the year, there were only 68 stock market flotations, raising \$3.9bn in all, compared with the 100 issues that raised \$6.7bn in 1997.

According to KPMG Corporate Finance, the fourth quarter of 1998 was the worst period for flotations in almost a decade.

The picture does not seem to have changed with the new year. William Hill, the bookmaker, was this week forced to cut the share price of its new issue because of weak institutional demand.

The dearth of new issues seems to be a function of the two-tier market that London has become. Investors are eager to buy the blue chips in the FTSE 100 index but far less keen on small and medium-sized stocks (this trend was partly reversed in the first few weeks of 1999, but by nowhere near enough to disrupt the longer-term pattern).

While the Footsie stocks trade on a P/E of 24.5, the SmallCap (ex-investment trusts) index can manage a rating of only 15.4. Smaller companies have been steadily exiting from the market, via management buyouts and takeovers, amid disillusionment with their share prices.

As a broad generalisation, small companies cannot raise new money and large companies do not need it. The latter are issuing new shares, but largely in the form of options to keep their executives happy and via nil premium mergers for rivals in the same sector. The stock market's giants have worked out that the best

chance of increasing profits is to merge with a rival and cut costs.

But that re-opens the original question: where are the profitable UK projects? One answer might be that companies are using debt to finance expansion. This has happened to some extent; issues of UK corporate bonds rose from \$3.5bn in 1996 to \$8.5bn last year, according to Barclays Capital.

Another is that the corporate sector has less need for capital than it used to. There is less demand for new steel mills or new car factories, since the business giants of the future operate in fields such as software or entertainment where intellectual capital is more important than its physical counterpart. Rather than pay up for plant and equipment, companies will have to pay top dollar for executive talent - a trend that does seem to be happening.

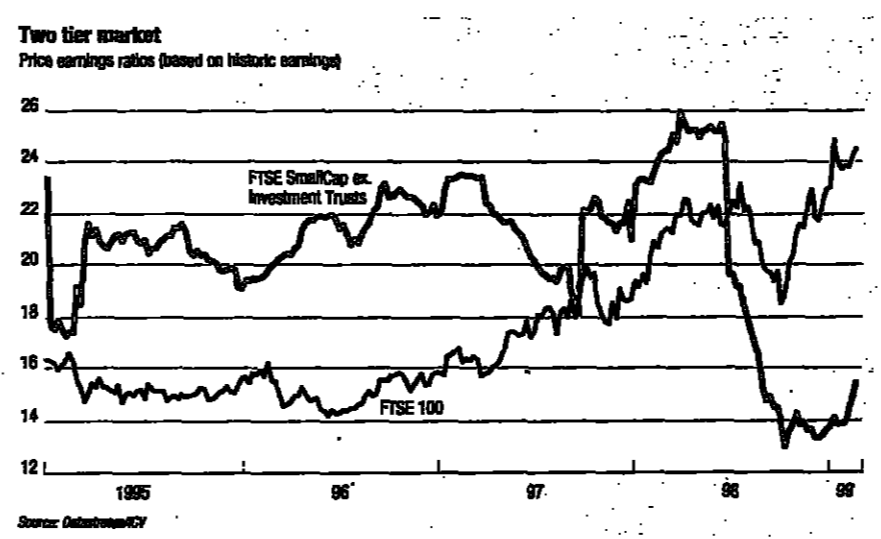
This points to a new form of business cycle. In a traditional cycle, when returns on capital are high, business rushes to invest, chasing up the cost of capital and bringing down the returns. Capital becomes idle as firms close down, allowing returns to rise and so on. In the new cycle, it will be executive wages that are the key, with companies driving up top salaries until they erode their profit margins.

The corporate sector will become more like the movie business where Sly and Arnie get their \$20m whether or not the film makes money.

philip.coggan@ft.com



In the good old days bank managers were more parsimonious



Highlights of the week

Table with 4 columns: Price, Change on week, 52 week High, 52 week Low. Rows include FTSE 100 Index, Booker, British Biotech, DBS Management, Denka Business Sys, Eurotunnel Ltd, Macro 4, Pace Micro Tech, Powergen, RJB Mining, Rank Group, Salvason (C), Sidlaw, Southnews, Woolwich.

Woolwich advertisement for Euro International Gross Account, featuring a 3.0% gross per annum rate and contact information.

Peter Martin advertisement for 'Life in the land of the free', discussing the competitive nature of the internet and free services.

For an interactive guide to personal finance, visit http://www.FTQuicken.co.uk

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WEEKEND INVESTOR

Results due next week

Table of financial results for various companies, including dates, amounts, and percentages.

Last week's interim results

Table of interim financial results for various companies, including profit and dividend data.

Footnote text explaining the data in the interim results table, including currency and period details.

Last week's preliminary results

Table of preliminary financial results for various companies, including profit and dividend data.

In the Pink

The time to buy is when the gloom is deepest

By the time the smoke has lifted, the train has left the station, says John Train

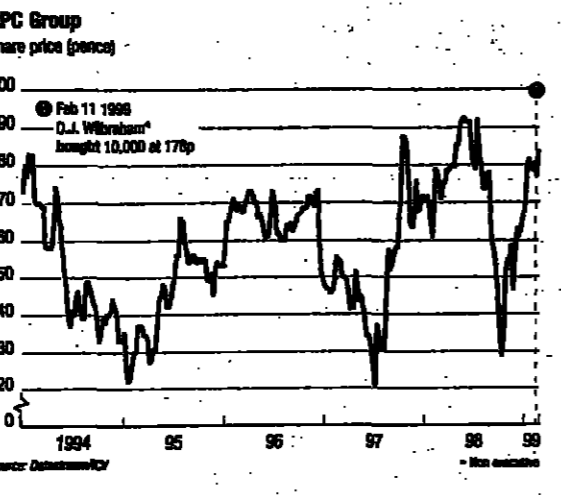
Main article text discussing market conditions, investment strategies, and the impact of economic news.

If the announcement of a setback for Microsoft in the case against it does not push the stock down any more, then you can be reasonably confident that those tidings are factored into the share price

Continuation of the article text, focusing on market analysis and investor sentiment.

Directors' dealings Aromascan purchase

Text article discussing the acquisition of Aromascan by RPC Group and the role of directors.



Directors' share dealings

Table listing share transactions by directors for various companies in February 1999.

Bids and deals Booted out?

Text article discussing the takeover of the former Bank of America and the impact on other potential bidders.

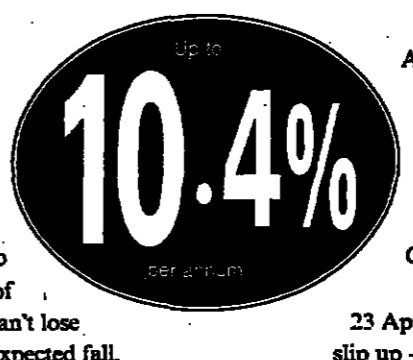
Current takeover bids and mergers

Table listing various takeover bids and mergers, including company names, values, and dates.



Enjoy the potential of Europe, without the risks

Advertisement text for HSBC Midland Offshore, highlighting investment opportunities and risks.



HSBC Midland Offshore logo and branding.

Contact information for HSBC Midland Offshore, including phone and fax numbers.

Large advertisement on the left side of the page, featuring 'Dr. urn cash' and 'Philip Coggan' with a portrait of a man.

FT WEEKEND

Metropolis

Going to the dogs in LA

In Beverly Hills, pedigree pets play up like celebrities. Christopher Parkes capers with canines

Cameron Diaz was not the only one who had been having a bad hair day in There's Something About Mary...

enough, with only 700 registered yearly with the American Kennel Club. There was certainly nothing on the scale of the Furby-style frenzy which gripped indulgent parents after the release of 101 Dalmatians two years ago...

a source of constant aggravation to the purist dog folk who will go to drastic lengths to protect their reputation and breeding records. Patty Kanan, for example, who supplied the late Frank Sinatra with seven King Charles Spaniels, is typical in that she will not sell dogs to people she does not know...

Beverly Hills winter show last weekend. The stars were out in force, at least in name. Border Terrier Ginger Spice, neatly trimmed, moustachios a-briskle, was there with Mr Wolf. Bill Cosby was not there in person, but Blossom, his Lakeland Terrier, carried off the John O'Melveny Memorial Trophy for Best in Show...

whose affection for Black Cocker Spaniels is one of the few enthusiasms she keeps to herself. Fearful of harassment from the unpredictable masses, celebrities keep away from most public events. But the KCBE spectators were far more interested in the real stars: the dogs and their influential professional handlers.

With pedigree dogs selling for \$1,000 to \$10,000 apiece - a good Border costs \$1,200 or \$200 per full-grown pound - there is a deal of money in this sport. Peter Gelles, fresh from winning at Westminster, the New York equivalent of Britain's Crufts, with his Australian Terrier, Smart Alec, knows the numbers. A serious "campaign" for championship can cost an owner \$100,000 in a season.

atop her grooming table. A gentleman in tweeds with a brace of full-grown Irish Wolfhounds at his side was telling how these monsters grow "visibly" from 1lb at birth to 100lb at six months...

Blossom was snoring on her haunches atop her grooming table

Best in Show, the points and the bonus Louis Vuitton doggie bag stuffed with Rodéo Drive retailers' goodies, including a Gucci collar and leash.

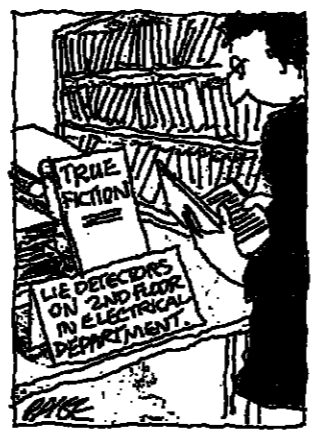


Sorry Seymour, our relationship is over. After what you have done, our secret is not safe with me any more. Professor Seymour Baibis and I had built up a mutual trust over three decades - I trusted him to tell me the truth about his scientific work with genes...

A gene genie who outgrew the bottle

As the world fills with familiar faces, Peter Whitehead gets away with murder

It began with his work on chimpanzees. Fired by the words on that banner, he set about manipulating and modifying the genetic structure of chimps and gorillas. The success of his work is measured by the current calls in New Zealand for basic rights for the great apes. He has made real the idea expressed on that banner in the 1970s.



You've read the column, you've read the book. TRUE FICTION is a magazine devoted to intelligent and provocative writing on the future of genetic engineering. Buy it from bookshops for £7.99, or direct from Peter Whitehead for £5.99.

the bedside cabinet. Baibis was silent for a while and eventually said: "Give it to me." "Why?" It was growing slightly suspicious of him, even then. "We still trust each other don't we?"

identical to Leonardo DiCaprio. He had taken the hair I found, created a warrior gene - one that will work its way through an organism changing all genetic material to make it identical to itself - and modified me with it.

chubbier, smilier, her height adjusted to match mine exactly. We saw eye to eye for the first time in years. Baibis was fascinated, glowing like a furnace, when we arrived at his lab at Lampard University in Surrey. Confronted by two Leonardo DiCaprios, he smiled and glowed some more.

It's been a bit of a strain on the wife. There she sits in our Manhattan apartment amid the balls of packaging twine, heaps of expanded polystyrene chips and rows of boiling kettles, waiting for the next order. But then, nobody said life as a billionaire would be easy.

Business success is our cup of tea

Richard Tomkins on how to get rich by avoiding such outmoded concepts as 'profit'

in search of a palatable cup of tea, or waste time in the home or office brewing their own. With just a few clicks of the computer mouse, they can have a cup of hand-made gourmet tea delivered to their door - often for less than it would cost in a top restaurant.

on-line intermediary, linking customers with tea makers through a bidding system that would have matched buyers and sellers at a mutually acceptable price. But the plan had to be refined because of quality control issues.

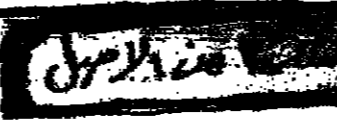
advertising blitz, and less than two weeks later, we received our first order: a request from a man in Plano, Texas, for a cup of Earl Grey.

guarantee of Unparalleled Service Excellence. A week later, E*Tea suffered another setback when the man in Plano returned his tea, complaining that it had gone cold. This led to an urgent re-shipment of our core competencies, resulting in a first quarter restructuring charge of \$27m to cover the cost of purchasing a Boeing 727 cargo jet and a course of flying lessons for my partner.

another from a man in La Paz, the mist-shrouded capital of Bolivia. Regrettably, our fulfillment rate slipped because the woman down the corridor was out when we called and the man in La Paz wanted a cup of Lipton, which did not feature among our product offerings. But based on an extrapolation of this 100 per cent increase in orders, we were able to predict that our revenues would exceed the gross domestic product of China by 2001, and on this basis we successfully brought our company to the stock market.

extent that it does not actually make any money. Indeed, the bigger it gets, the more money it loses, since the cost of fulfilling each order greatly exceeds the revenue generated. But in the world of frictionless commerce, outmoded concepts such as "profit", "earnings per share" and "dividends" no longer apply. Size and market share are the determining parameters, and in less than three months, we have firmly established our ownership of the electronic tea proposition.

Advertisement for Snuggly. Features a large image of a person wrapped in a Snuggly blanket. Text includes 'Snuggly', 'NEW WORLD', and 'Snuggly is the way to a warm, cozy night's sleep'.



دنيا في 1999

FT

TRAVEL

FEBRUARY 20 / FEBRUARY 21 1999



England's glory
Winston Churchill called it home and his presence can still be felt at Chartwell in Kent



Skiling and golf
Go on the piste in New Jersey less than 50 miles from Manhattan and tee-up in the sunshine of southern Europe



City break
Stung by Barcelona's Olympics and Seville's Expo, Valencia is the latest Spanish city to raise its game

Page 3

Page 4

Page 6



Round the horn

If bullfights remind you of death in the afternoon, think again, says Nicholas Woodsworth. They are not all bloody massacres, as he discovered in the south of France

The bull-fighting arena of Les-Saintes-Maries-de-Mer lay brilliant white in the sunshine, so close to the sea that spectators on its uppermost tiers were dazzled by the sun's reflection bouncing off blue water. It was, I thought, a fitting setting for an age-old Mediterranean ritual. It was a perfect place for death in the afternoon.

A fanfare of trumpets blared out over the arena's loud-speakers, a roar rose from the crowd and a jet-black bull, head lowered, came tearing out of the darkness of an arched entrance. It stopped, glancing about the dusty arena for a foe on whom to vent its fury.

I, too, glanced about, looking for the swirl of a cape or the glint of light upon cold steel. But there was nothing like that.

Instead, a team of athletic young Frenchmen dressed in spotless white shirts, trousers and running shoes dropped into the ring from the stands. Fanning out around the bull, they stood, ready and attentive, waiting like a cricket eleven for the opening over of a Test match at Lord's.

Something was wrong here. I am no sportsman, but I am capable of telling a bull from a

bull as Ernest Hemingway. This definitely was not cricket. Equally, this was not the classic corrida as it is understood from Seville to Pamplona.

There would, it emerged, be no death that afternoon - here in Les-Saintes-Maries and in a dozen other towns scattered around the marshy Rhone River delta, both man and beast survive the ordeal of the ring. But that was the least of differences - in the Camargue, bull-fighting has evolved in ways that would leave Hemingway scratching his head in wonder.

It took me some time to work out the object of *La Course Camargaise*. For the *razzeteurs*, the lithe young men in white, seemed to spend most of their energy not in confronting the bull but in running from it as speedily as possible.

There is no need to describe the ignominious shame of any Spanish matador who turns tail in the ring and dives head-first for safety. But here the loudest cheers of the afternoon came when the *razzeteurs*, with the bull in hot pursuit, made spectacular double-leaps out of the ring. One bound took them to the top of the oft wooden barrier separating the ring from the tiered stands; the next took them flying through space right into the stands. If the

bull was particularly close behind, if the leap was especially desperate, a short blast of Carmen's "Toreador" over the loud-speakers would pay tribute to the *razzeteur's* escape.

This was odd bull-fighting, indeed. What did it all mean? Luckily, in the spectator sitting beside me I found an *aficionado* - Yves Bustin is a chronicler of Camargue tauronomy for the local papers.

What I could not see in the dust and confusion, Bustin pointed out, was the *coacorde*, a tiny cloth rosette, tied between the bull's horns. The *razzeteurs* are not really competing so much against the bull as against each other for the possession of the *coacorde*. Their aim, as they run at an oblique angle in front of the bull towards the barrier, is to allow the bull to come close enough that they can hook the *coacorde* with a sort of small metal comb they hold in their hands. The fencer the bull, the greater the cash prize the *razzeteur* collects - to say nothing of the esteem he garners in the eyes of friends and admirers.

The first 15-minute fight over, a second, fresh bull appeared, pawing the ground in front of us. "Formidable," judged my companion. I considered its dis-

traught mein, its long, lyre-shaped horns. I considered the FF80 (26) prize on offer for snatching its *coacorde*. I would require a great deal of esteem from a great number of admirers, I decided, before I risked a punctured posterior.

"Just what makes a good Camargue bull?" I asked Bustin.

"Really great bulls are few and far between. Many lack the necessary morale for real spectacle"

"Ah," he replied, his eyes lighting up, "the good ones are animals of character. They must have a sense of drama. They must be serious and know how to make themselves respected. They must be wily and observant, ready to anticipate the feints and devious strategies of the *razzeteurs*. And, above all, they must be generous, ready to give

entirely of themselves without calculation."

As character references go that sounded like a tall order for what was, after all, only a bovine ruminant. Bustin agreed. The really great bulls were few and far between. Many, he said, lacked the necessary morale to provide a real spectacle. A few minutes later, he pointed reprovingly to the third bull on the afternoon's programme. Frustrated by its enemies' non-confrontational tactics, it had given up chasing around the ring and was busy reducing part of the barrier to matchwood.

"*Tu n'a pas de morale*," Bustin said, shrugging his shoulders. Such bulls were not good. As every sports promoter from Don King down (or up, depending on your point of view) knows, when the action slows, spectators grow restive or lose interest altogether.

But it is precisely here, where more traditional bull-fighting enthusiasts might become displeased, that the Gallic creativity of the Provencal course saves the day. In order to keep things moving, Bustin explained, promoters have introduced ever greater innovations into the ancient and honourable art of tauronomy. All are unorthodox, and most are downright daft.

Sometimes the course is opened to the general public and anyone can join a chaotic *mêlée* of local dare-devils speeding around the arena. But that is just the beginning.

What about the genius, for example, of *taureau piscine*, in which the bull-fighter's object is nothing less than to entice a bull to join him in a shallow swimming pool set up in the middle of the arena? At first I thought I had misheard, but Bustin assured me it was just so. Could anything be more difficult, or more delightfully pointless? Yet every summer scores of sopping-wet toradors in dozens of *taureau piscine* competitions attest to the popularity of the sport.

And what of the brilliance of *taureau pastique*? Here the winner is the first contestant to consume a slice of watermelon in the presence of an irate bull - the catch is that the actual eating can only be done while sitting on a chair in the centre of the ring. This, obviously, is a tougher proposition than merely diving into a pool with a bull hard on one's heels. Yet it too has its small circle of loopy adherents.

By the time the afternoon's course was over, my mind was reeling. From now on, the standard Spanish bull-fight could only be seen as child's-play. So far as I was concerned, it was a dull and unimaginative thing of the past. In a fever I wandered the white-washed streets of Les-Saintes-Maries, putting together in my head a thousand unlikely but exciting combinations.

Taureau piano had potential. *Taureau Chio* would certainly have its automotive proponents. *Taureau whisky* invited unprecedented havoc. Might there not be something in *taureau Hesperie*? The possibilities seemed endless.

But then, rounding a corner near the arena, I came upon that afternoon's team of *razzeteurs* taking a well-earned rest at a sidewalk café. Their white shirts and trousers, now stained and dusty, reminded me of something.

Suddenly it came to me, a game that combined all the passion of the Mediterranean with the cool-headed calculation of the misty north. On the floor of the ring I could see a pitch, a bowler and batsmen, a team of fielders in brilliant white. In the midst of them all, of course, a rampaging bull.

There would be no mere polite clapping among the spectators of *taureau cricket*. I rushed off to find Yves Bustin to reveal to him the future of *La Course Camargaise*.

Snuggle Down Under.

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AIR NEW ZEALAND

NORTHERN FRANCE



A right royal Paris palace

The Meurice is undergoing a facelift for the next millennium. Giles MacDonogh looks at the work

The palace hotel is an endangered species. Its most vicious predator is the large, multinational chain with its advocacy of "systems" and easily accountable (*le mot juste*) uniformity. Each palace, on the other hand, is unique. It has its own character grounded in a century or more of history. It must remain true to its traditions, or it is no more.

The Meurice in Paris is one of the oldest "palaces". It was actually founded in Calais in 1772 by Charles-Augustin Meurice who ran a coaching service taking English "milords" to Paris. An inn, he must have thought, could provide them with a good night's rest before they moved on. That hotel is still there; still the best in Calais.

With a few modifications, this is the hotel we see today. The best rooms are naturally to be found on the Tuileries side. Even at low level the view is superb. From my suite I enjoyed a panorama stretching from behind the Louvre to the dome of the Invalides, to the Eiffel Tower. The Crillon has a few rooms like this, but the Meurice has many more.

My room was immense. An entrance hall was a sort of *salon des pas perdus* leading to a Louis XVI-style salon and bedroom giving on to the Tuileries. On the

have cooked almost black in Gigondas wine. I finished with an interesting dessert which revolved around the theme of tea. The wine list is voluminous, but you may safely ask the sommelier who is knowledgeable without being pompous.

In 1997 the Meurice was acquired by the Audley Group, a company owned by the Sultan of Brunei that includes the London Dorchester.

It has also been managed by the Aga Khan's company, Ciga, which was mopped up by Sheraton after its tragic demise. But, as the Aga himself, and not the company, owned the hotel it eluded the Sheraton's grasp. We can all sigh with relief that it is not part of Sheraton's "luxury collection" - a position that has virtually nullified the distinction which formerly reigned in some of the world's greatest and grandest.

The Meurice is still partly under wraps and there are ambitious plans for the ground-floor salons. The dining room will stay the same, but the glass roof over the winter garden is to be revealed and it will become a tea room with a "feminine atmosphere". Men will gather in the bar - "masculine atmosphere" - which is to be installed in the Salon Fontainebleau with its pretty wall paintings.

What concerns me a little, is that the Salon Pompadour will be used for private functions only. Surely such a wonderful room should be more easily accessible?

Still, if the Sultan's costly restoration of the Dorchester is anything to go by, the work should be tastefully carried out, and the Meurice will enter the next millennium as the palace hotel was conceived and designed to be.

Hotel Meurice, 228 rue de Rivoli. Tel: +33 1 22-58-10-10. Doubles from FFY250. Dinner à la carte FFY500 before wine. Menus FFY290 and FFY480.



Even the lifts are painted

Taking advantage of the disruption to property caused by the Revolution, Meurice's son, Louis-Augustin, opened a hotel in Paris's rue de Rivoli in 1817. It was called "Meurice's City of London Hotel", giving an indication of an almost entirely British clientele. In 1832, it moved down the street to its present position behind the arcades overlooking the Tuileries Gardens.

The Meurice connection ceased in 1840, but the hotel remained true to its vocation. In 1849, it was favoured by Mivart's in London, which was to become Claridge's, and already considered the place to stay. Important acquisitions in 1846, 1906 and 1910 gave the hotel the extent it enjoys today, as well as its three separate entrances.

In 1907 it was almost completely rebuilt. This was the golden age of the palace hotel, when the Crillon and the Ritz also achieved their present shapes. The marvelous public rooms were installed on the ground floor. The neo-rococo Salon Pompadour and the dining room must rank as some of Paris's finest interiors.

courtyard there was a little maze of dressing and bathrooms. I imagined that it would be very easy to conceal a lover from a jealous husband; and with so many exits and entrances, there would be little chance of their running into one another.

Dinner is a must. A pianist plays in the great stone winter garden, even if the excellent *soirées lyriques* in the dining room are currently in abeyance.

The room itself is a feast of marble and gold, and as such awakens the most languid appetites. The food has always been good. I enjoyed a terrine of foie gras sandwiched between slices of sour pear; and a complicated individual *pis filé* with ceps, pickled onions and sweetbreads.

Better still was a dish of



Laon cathedral: its masons sculpted cattle on its façade in silent tribute to the animals that carried the stone up the hill

Order: GY/CRY Picardy

Perfect peace in Picardy

Antony Thorncroft visits a somewhat sad, rural, frontier region

Picardy is perhaps best known for its flowers - for the roses that bloom in song, and the poppies that mark the graves of thousands upon thousands of soldiers who died there in two world wars.

If it is visited, it is for its battlefields, in particular the Somme, a meandering river which today runs through one of the most peaceful and unthreatening landscapes in Europe. But most British travellers hardly notice the region, as they rush from the Channel ports to Paris and the south.

Picardy has been both blessed and cursed through the centuries. It is blessed with fertile soil, which enriched it early and provided the wealth for the great Gothic cathedrals, such as Laon, Soissons and Beauvais, which rise monumentally from its flat lands. It is cursed with being a border region, fought over by France and its ever-changing enemies to the north.

These battles are ingrained into its landscape. In the bucolic dairy region of Thiérache, near Vervins, cluster about 50 fortified village churches, which resemble shorn poodles, their rear ends pale-stoned, 12th century Gothic, while their bulky towers at the front are

bolstered with defensive brick. Once the enemy was spotted approaching the village, people huddled high up in the towers, raining missiles down on the raiding parties.

These were not distant wars. Most of the churches were fortified late in the 16th century and stayed unscathed until the early 18th century. Peace came slowly to this region. It is a sobering experience climbing narrow staircases in churches at Burelles and Englaucourt to discover the large dusty hiding spaces and to peer through slits that supported guns rather than arrows.

Some of the towns, such as Soissons, still show their war scars, with large rebuilt areas, patches of 1920s housing here, and apartments erected after another war 20 years later there, an architect's heaven. The great abbey church of Saint Jean des Vignes is now nothing but a silhouette, an imposing Gothic facade, but the cathedral survives, with its masterpiece by Rubens and one of the most beautifully rounded east transepts in France, a triumph of early Gothic.

Laon was more fortunate. Perched on a hill, it was quickly taken by the Germans twice this century and survives intact as a consequence. It is mothballed. A cable car joins old Laon to its modern suburb below - but why leave the quaint walled city?

The cathedral is a dream, completed in little more than a generation in the late 12th century, and hardly touched since. Chances are that it

will be empty, with its long uncluttered nave, its tall arches soaring heavenwards, its stained glass rose window. A silent, awesome, virgin prayer to the Gothic.

Outside, there are sleepy narrow streets with 17th century houses and earlier, a Romanesque Templar church of the 11th century, and a vaulted hospital of the 13th.

the people felt for nature and the land.

But France has won most of its wars, and its glory days are also recorded in Picardy. In a clearing in the forest which surrounds Compiègne is the railway carriage in which the Germans surrendered in 1918 (and in which Hitler forced a French capitulation in 1940). It is now a museum, and a brief stop on the way to Compiègne, as elegant a town as you can find in France.

Its closeness to Paris, and particularly its forest, made it a popular resort for French kings for centuries, but it was most favoured by the Napoleons. In the château there are the rooms in which Napoleon welcomed his new Austrian imperial in-laws after his marriage to Marie-Louise. The very rooms in which Louis XVI had entertained the relations of his Austrian bride, the subsequently gullibled Marie-Antoinette, the great aunt of Marie-Louise.

There must have been many subjects best avoided at the second gathering. Also intact are the ornately canopied beds in which they slept, both singly and together.

The palace was also much favoured by Napoleon III, who filled it with grand Second Empire suites of furniture to match the classical designs favoured by his uncle. For anyone bored with old panes, seeing how the parvenu Napoleons enjoyed their wealth is exhilarating. In spite of the railway and gas lighting they still lived in public, but in much greater comfort. For

I did not see much lace in Chantilly but there are two of the most fascinating buildings in France!

real modernists, one wing of the château contains the national car museum, which includes the *jamais content*, the celebrated electric car of 1899.

Close to Compiègne is Chantilly. There is not much sign of any lace but there are two of the most fascinating buildings in France. One, the grandiose 18th century stables of the Princes de Condé, houses the Living Horse Museum, which tells you everything you need to know about equestrian life, with the help of 30 horses. The château itself was given such a make-over last century by the Duc d'Aumale that it looks like some castle from a fairy tale. But, if the exterior is overblown monumental trumpery, inside is one of the finest art collections in France, including works by Raphael, Fra Angelico, Poussin and hundreds more.

After suffering too much attention from history Picardy is being bypassed. As a result it can still offer pleasures that the British fear France is losing - traditional local food and inexpensive hotels. With Lille just two hours from London, and Picardy just 30 minutes from Lille, this self-contained, somewhat sad, rural, frontier region is perfect for that last weekend.

Antony Thorncroft travelled to Picardy by Eurostar (0890 186 186) and stayed at the Hôtel de la Bannière de France, Laon. 03 23 23 21 44. More information can be obtained from the Picardy tourist office in London: 0171-536 2232. In the US call: +1 302 659 7778.

...update...update...update

- **FULL-BODIED:** Can it be that some wine-walkers operators cancel many of their tours? Not us, say Arbister & Clarke, all ours go ahead as per brochure (from 01730-893344). New tours this year include the Loire and Chablis, and Bordeaux.
- **SHOW ME THE MONET:** Visit Claude Monet's garden at Giverny, inspiration for his water lily paintings, on a coach trip (from 850 points in the UK) with Wallace Arnold (0113-231 0739), from £299. Visits to Fontainebleau palace and Breteuil château included.
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- **GOING NAP:** If you're not sure you can make that Sam flight (or ferry), give Superbreak a call on 08705-489499 and they'll send you a brochure of UK airport and ferry port hotels; have a proper night's sleep, then stroll to check-in. Prices from £23.50; many include long-term parking.
- **LONE RANGERS:** Sovereign has published a

specialist brochure for solo travellers: beach, ski, cruising and touring holidays, in places from Sri Lanka to Margarita (off Venezuela) - Barbados and Crete among them. Call 0990-788373.

□ **ARDENNT LOVERS:** May 24 is the date of the annual marriage mart in the Château d'Écaussinnes-Lalain, in the Belgian Ardennes. Singletons sign in, listing their virtues and those of their desired spouse, and are introduced to possibilities. Food and entertainment provided. Details from the Ardennes tourist office, 0171-987 0311.

John Westbrooke

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Fjord cast a dream spell

John Woodsworth

As we explore the narrow peaks and sh

SUMMER VARIETIES

England's Glory

Churchill's beloved homestead

Christopher McCoey, in the first of an occasional series, visits Chartwell in Kent

Even before you go into the house, which has all manner of photos and pictures and personal belongings, Churchill's presence can be felt.

As you walk from the car park to the front door, the gravel path takes you past a series of ponds, constructed by Churchill as a water garden. Beside one of them is a wooden chair and box, painted sky blue, and reached by stepping stones.

It was his favourite place in the garden and you can almost see him sitting there, musing, painting, occasionally dipping into the box to feed the golden orfe. Chartwell, Churchill's home for more than 40 years, is nothing less than a shrine to one of the greatest Englishmen who ever lived.

The house that Churchill first saw was very different from the one that visitors see today.

Back in July 1921, it was an ugly, Victorian red-brick mansion with tile-hung gables and poky oriel windows facing, somewhat perversely, towards the hillside and main road rather than the glorious views out across the Kentish Weald in the other direction.

It was almost overrun by purple rhododendrons and the place's gloomy nature

was increased by the creep-covered walls. Unfortunately the house and 800-acre estate had a reserve price of £6,500, which Churchill could not afford.

However, his fortunes improved towards the end of that year when he inherited money from a distant cousin and received advances totaling £22,000 from British and American publishers, for the first volume of *The World Crisis*, his history of the first world war.

In the autumn of 1922, the house and 30 acres (a farm and land had been sold off) were still on the market, and Churchill was in a position to buy Chartwell for £5,000. The seller was A.J. Campbell Colquhoun, a contemporary of Churchill's at Harrow and with whom he had competed for bottom place in the fourth form.

Clementine, Churchill's wife, had reservations about buying the house - it would be expensive to make habitable and its isolation meant it would be difficult to

recruit and keep servants.

Churchill saw the house's great potential - later he would say that he bought it for the view - and immediately commissioned the architect Philip Tilden to convert and extend it. In effect, it was transformed to a family home which was to give Churchill unalloyed pleasure for the rest of his life.

Tilden's brief was to simplify and modernise the layout of the house and to make the most of the setting. Churchill was so obsessed with Chartwell, so impatient that the working relationship between the two became very strained.

Many years later Tilden concluded, somewhat ruefully: "No client that I have ever had, considering his well-filled life, has ever spent more time, trouble or interest in the making of his home than did Mr Churchill."

That is what you feel as



Chartwell: very different today from when Churchill first saw it

Christopher McCoey

you go around it today - a home, even down to the pets. A marmalade cat is still in comfortable residence. Churchill had one of similar colour called Jock, named after Sir John Colville, his principal private secretary. He was

very fond of Jock and the original cat is buried along with his two brown poodles, Rufus I and Rufus II, near the croquet lawn. If you see a marmalade cat today, it is Jock III. Churchill also loved

horses. In his youth he had been a cavalry officer and a keen polo player and he also enjoyed riding to hounds. Over the chimney piece in the drawing room is a painting by Raoul Millais of Colonel II painted in 1961. The

French-bred colt won many races for Churchill when he became an owner after the second world war.

Walter Nightingale, Churchill's trainer, suggested that Colonel be put out to stud after his racing days were over. The great man replied: "To stud? And have it said that the prime minister of Great Britain is living on the immoral earnings of a horse?"

The library of Chartwell is somewhat modest when you consider that it was created by a master of both the written and spoken word. Churchill revered books as material objects and as the distillation of a nation's history.

He loved to be surrounded by books, and received many as presents, but he bought them chiefly as practical tools for his work as a historian and journalist.

Chartwell was not lived in by the Churchills during the war because it was recognisable from the air and, hence, an easy target. How-

ever, in 1945, after the Conservative election defeat, Churchill was no longer premier, and he went back to live there.

In spite of his writings, Churchill was not a rich man and running Chartwell was a considerable expense. To ease the financial burdens, 17 benefactors bought Chartwell from Churchill and donated it to the National Trust in 1946 on condition that the Churchills could remain there for the rest of their lives.

After Winston died in 1965, Clementine did not want to continue living in such a big house on her own. She moved out but not before she had agreed to leave behind most of the personal items belonging to her husband. She also gave many of her own possessions so the character of the house might remain largely unchanged.

In effect, she allowed the Treasury to acquire the contents of Chartwell in payment of death duty. Without doubt this magnanimity makes Chartwell what it is today; instead of an empty shell, the house is an extraordinary memorial to an extraordinary man. **Chartwell, Westerham, Kent TN16 1PS, tel: 01732-566368, is open from March 27 when the admission price will be £3.50 for adults.**

Fjords cast a dreamy spell

Nicholas Woodsworth feels the allure of Norway's far north

AS Flight 372, the daily aircraft northward from Oslo to Tromsø, Alta and Kirkenes in the Norwegian Arctic, flies over one of the longest, most dramatic coastlines I know, Norway is a thin, attenuated country - if you flipped it over on its base, I figured as I sat five miles up gazing at a map of Europe, its far, Arctic tip would fall somewhere in the industrial suburbs just north of Rome.

For all its great length, however, almost the entire west coast of Norway is made of that most impressive of maritime combinations, deep water and high mountains.

Even from up here, with snowy white peaks rising in the background and the summer morning sun bouncing off a blue sea, the fjords looked as fresh and enticing as if they had just been made. If I lived in a hot, smoggy, crowded, horn-honking Roman suburb, I reckoned, I would welcome northern Norway if it did flip over on me.

Flying is one way to see this part of the world; bus-ing it is another. Ten minutes before we were due to land in Kirkenes on the chilly Barents Sea, a wall of thick, low-lying cloud, no more penetrable than the rocky side of a fjord, barred the way to the airfield.

I did not mind the five-hour bus trip that an alternative landing site made necessary. It gave me some idea of just how remote, barren and unpopulated the treeless and windswept plateau of the northern interior is. Only 2 per cent of Norwegians live in Finnmark, the country's northernmost region - that is not many out of a total population of just 4m Norwegians. I now know why.

So when the bus finally pulled into the small coastal town of Vardo some 100km north of Kirkenes - famous locally because it possesses a rowan, the only tree for many miles around - it was like coming back to civilisation. It was better, it was like coming home. For there at the wharf, awaiting our delayed arrival, was the coastal steamer MS Nordlys.

Air travel may be fast, but there is no doubt about it: ever since the *Hurtigruten*, or "rapid route" coastal steamers, were put into service a century ago delivering post and goods to isolated communities, they have been regarded as the most comfortable way to see this spectacular sea coast. The Nordlys, 400ft long, with eight decks and 480 berths, was a floating hotel. In no time I had dropped my bags in my

cabins and headed up to the observation lounge to watch our departure.

There was a rather curious atmosphere when I arrived. The lounge was a large, carpeted room with canted, floor-to-ceiling windows giving a sweeping 180 degree panoramic view on to the surrounding seas. Most of the seats were already occupied by Britons, Americans, Germans, French, and a handful of other nationalities.

But there was no excited babel of languages. There was no great excitement at all. Nobody was asleep, but nobody was entirely awake either. They sat suspended, rather in a sort of dreamy, hypnotic state, quite happy to gaze peacefully at the cliffs, mountains and glaciers that drifted gently past no great distance away.

I was mystified. Then I remembered that most of my fellow passengers had already been sailing for nearly a week. If they were making the entire 12-day round trip - and many foreign travellers do just that, regarding the coastal cruise as the quintessential Norwegian experience - they had begun their journey far to the south in Bergen.

As we came nearer the Lofotens, the channels grew narrower, the peaks higher and sharper

Now half-way and at the northern end of the cruise, they had long ago adjusted to another rhythm. On most regular cruise ships there is little to be seen between ports but a flat, watery horizon - in that setting passengers, naturally, seek on-board diversion. But on a *Hurtigruten* cruise, the entertainment is the ever-changing spectacle passing by outside. Following calm inland passages and channels, the *Hurtigruten* is never far from land - indeed, so deep is the water in these fjords that the ships sit on sea, skimming, just above seas, skimming, just yards from soaring rocks, peninsulas and islands.

After only an hour or two I found myself falling into the same hypnotic, dream-like state, soothed by the ship's movement and content simply to sit and watch. I settled more deeply into my chair. A *Brief History of Time*, one of those worthy books I had never got around to reading,



An impressive maritime combination: almost the entire west coast of Norway is made up of deep water and high mountains

High Seas/Tony Stone Images

and now fear I never will, remained open on my lap at page one. Time, in fact, became something of a mystery. Minutes passed and turned into hours, grand scenery drifted by and yet, somehow, time seemed to stand still. It was only by 12:30 that evening that I realised that time was standing still - the sun, still well above the horizon, was refusing to sink any lower.

My mind can understand, just about, the astronomical phenomena that give rise to the midnight sun. But my body was finding it considerably more difficult. With no real night and day, with nothing to mark the passage of time, internal clocks get thrown out of kilter and one's sense of reality becomes slightly and rather pleasantly unstick.

By three o'clock that morning I knew we had passed by the Nordkapp - the most northerly point of Europe - but otherwise had lost my bearings.

Happily, there were two or three things that allowed the Nordlys' passengers to keep their feet firmly anchored to the deck. The first was food. The breakfast buffet I faced the next morning was so vast it would have kept the Hindenburg itself firmly anchored to the deck. There was pâté and pickled herring, fish roe and sweet brown Norwegian goat's cheese, pickles and beerroot, cereal and porridge, toast and crispbread, fried eggs and boiled eggs, sausages and ham, fresh fruit and juices...

I stopped here, for by this point I began recognising the wisdom of saving a little room for the shrimps, salmon and other northern-ocean fare served at lunch. It was just as well, then, that the Nordlys made punctual halts along the way - there are 30 stops between Bergen and Kirkenes - allowing passengers a little exercise and exploration. In Hammerfest, the world's northernmost town,

I strolled about looking at furry polar bear tiddies, toy trolls, and a life-sized stuffed reindeer standing outside a souvenir shop - this is a town that makes the most of its northernness.

But there were other unsung towns that had a real flavour of the far north. In the harbour of the tiny fishing village of Oksfjord I watched as a teenage girl

with nose-studs and blonde spiky hair climbed the ship's ramp. She seemed delighted to reappear standing outside a souvenir shop - this is a town that makes the most of its northernness.

As we sailed southwards towards the Lofoten Islands the channels grew narrower, the cliff sides steeper, the mountains higher and more jagged. In the 13-mile-long Røfsundet Strait, with chains of peaks rising 3,000ft out of the sea on either side,

we turned off into the Trollifjord, perhaps the most magnificent fjord in Norway.

It was simply too tempting. In the Lofoten port of Stamsund I jumped ship to spend some time in these stunningly beautiful islands. Another *Hurtigruten* steamer would carry me southward again in a few days. But as I waved goodbye to the departing steamer I enjoyed

imagining that I was changing places, perhaps forever, with that girl with the spiky hair. **Nicholas Woodsworth flies to Norway with Scandinavian Airlines, tel 0845 607272. His cruise was organised by Scandinavian Travel Service, 2 Berytham Meads, Elythe Road, London W16 0EN, tel 0171-559 6666.**

1 Picardy

rural...

...the most dramatic coastlines I know, Norway is a thin, attenuated country - if you flipped it over on its base, I figured as I sat five miles up gazing at a map of Europe, its far, Arctic tip would fall somewhere in the industrial suburbs just north of Rome.

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ACTIVITY BREAKS

It's the warmth of Costa del Golf for me

Stephen Roe has been abandoning the wet and windy winter in England for more favourable climes

Squelching along soggy fairways and struggling to make a putt on temporary greens during this wet British winter, my thoughts have often turned to the pleasures of golfing in warmer climes.

As a fair-weather golfer, I began to fantasise about playing in short-sleeves with the warmth of the sun on my back, a fresh, light breeze in my face and my ball sitting up in the centre of a manicured fairway.

Just a couple of hours' flying time south of the waterlogged British Isles, the early spring golfing season is in full swing with tee times already at a premium.

On two weekend trips to southern Spain, I have played in ideal conditions under clear blue skies with mimosa and bougainvillea in bloom and temperatures in the low 20s centigrade (70°F).

There are more than 50 golf courses along the 60-mile coastal stretch between Malaga and Gibraltar - appropriately signposted as the Costa del Golf - and several more are under development or in the early planning stages.

The 1987 Ryder Cup focus on the area has increased demand substantially, with golfers arriving from all over northern Europe to escape the frosts.

Heading a few miles inland into the cooler hills behind Marbella, I had no trouble getting tee times last month to play the scenic North and South courses at La Cala. Both were in excellent shape, presenting an enjoyable challenge from some of the dramatically elevated back tees. The adjoining David Leadbetter teaching academy was doing brisk business as visiting enthusiasts struggled to improve their swings.

Not all courses were in ideal condition, however. A dry winter, coupled with endless construction sites created by the latest property boom, has led to some pretty scrappy surroundings in the Marbella area. Compounding the problem is the new coastal motorway, which has literally cut across fairways, forcing hurried redesigns. The levels of traffic noise affecting these courses will remain an unknown factor until the new road opens this summer.

Course selection is critical therefore, putting even more pressure on tee times at the courses unaffected by the works. Reports of six-hour rounds and players having to wait five minutes on every shot are not uncommon.

No such problems beset the privileged few who manage to secure one of only six daily non-member tee times at Ryder Cup venue Valderrama, voted the top championship course in continental Europe.

Trying desperately to stay out of trouble among the cork oak trees that line Valderrama's nar-

General information

- GB Airways (tel 0345 222111) has daily scheduled flights from London with return fares to Malaga from £189, Gibraltar (£197) and Faro (£259).
- Nine airports in the Republic of Ireland are served by 53 airlines from the UK including Aer Lingus (0945 737474), Ryanair (0945 288282) and British Midland (0246 554254).
- Sotogrande's central reservations number for advance tee times is 01 34 958 700 111.
- Mundicor (0171-828 6021) will book a week's holiday on the Al Andalus vintage luxury train at prices from £1,399, including accommodation, meals, green fees and baggage.
- Packages: British Airways Golf Holidays (020 2426 246) and Longshot Golf Holidays (01720 226821) have inclusive golf packages to the Costa del Sol and Algarve. Cruise Holidays (0181-829 1511) has golfing holidays throughout France and 3D Golf has specialist packages to Ireland, France, Spain and Portugal.
- Tourist Offices: Brochures on golf courses and resorts are available, free of charge, from each country's national tourism representatives in the UK. Spain 0891 688220 (calls charged at 50p a minute), Portugal 0171-404 1441; Ireland 0171-469 3231; France 0891 244123 (50p a minute).



row fairways and struggling to sink a putt on the tiny, slick and treacherous sloping greens, it soon became clear that only very low handicappers can get full value from its £120 green fee.

In complete contrast, Sotogrande's new Almenara course has been cleverly designed by architect Dave Thomas to appeal to most typical club golfers. It has wide sloping fairways, elevated tees, fast water carries and magnificent Mediterranean and mountain views.

On a clear day you can see North Africa from the first tee. The greens are in excellent shape and the course is looking remarkably mature, having opened just 12 months ago.

From next month golfers will find it easier to obtain coveted tee times at several sought-after clubs in the Sotogrande area, including Valderrama, Real Club de Sotogrande, Almenara and La Canada, a nine-hole course designed by Robert Trent Jones.

Having bulk-purchased blocks of key slots, Sotogrande S.A. will introduce a central reservations service, providing discounted green fees and enabling visitors to reserve advance tee times.

The concept is the brainchild of Nigel Smith, Sotogrande's director general, a career golf resort developer, who has a vision of turning the exclusive western end of this coastline into the "Pinehurst of Europe".

His dream is to mirror the extensive facilities and impeccable service provided by North Carolina's famous golfing retreat. A 150-bedroom hotel and spa complex is due to open in September overlooking the Almenara course, supported by a high-tech golfing academy.

Longer term plans include building a further 54 championship golf holes, an international school and a golfing university. For an extremely stylish and unusual golfing experience, consider booking a cabin on the luxury El Andalus Express train (Spain's answer to the Orient Express) which has scheduled five journeys through Andalusia exclusively for golfers, starting in November.

Each week-long trip will enable passengers to play Real Club de Golf Seville, Marbella's La Quinta, Sotogrande and Montecastillo at Jerez. Accommodation and meals will be provided on

board, with players transferred daily to each course from the nearest railway station.

There are now 19 golf courses along Portugal's Algarve coastline. It is one of the world's best-known winter golfing destinations, and demand remains high this season. If you plan to visit any of the better known clubs,

France has so many new courses that supply has outstripped demand

such as San Lorenzo, Quinta do Lago, Penina or the Vilamoura courses, booking advance tee times before you leave is highly advisable.

To avoid the crowds and still enjoy some excellent (albeit cooler) playing conditions at this time of year, the top courses of southern France take a lot of beating.

There have been so many new

courses built in France over the past 10 years that supply has outstripped demand in a big way. As a result, visitors can afford to be choosy about tee times, and green fees are a fraction of those in Spain and Portugal.

During a visit to the windswept Basque coast, I was able to buy a green fee pass to play five top courses close to Biarritz for a total of just £108. The courses were Mollet (designed by Robert Trent Jones), Seignosse (voted top resort course in France by British tour operators), Biarritz Le Phare (second oldest course in continental Europe), Bassussarry, and Arcangues.

Anyone looking for game improvement will enjoy a visit to the well-equipped Biarritz Golf Training Centre. Based on a challenging nine-hole course on top of dramatic cliffs with views over the old resort town of Biarritz, the centre has three teaching academies and more than a dozen professionals.

The French are quite picky about when they play golf, choosing not to tee off early in the morning, leaving the field wide open for early rising visitors. Even at weekends, I have

found it easy to get on some of the best courses. Avoid Sunday afternoons, however, when French families often head out for a leisurely round after lunch.

On the Côte d'Azur, the more popular courses around Cannes and Mougins can get busy at this time of the year, but drive along the coastal Autoroute towards St Tropez and Marseilles and the pressure eases considerably.

Set in a rugged gorge, a few minutes from the Le Muy exit, is the 18-hole Golf de Saint-Endreol, with magnificent views of the mountains of Haut Var and enticing elevated tees overlooking the River Endre. Golfers experience at the par three 13th provide endless stories for the club house bar. Played from the back tees to a small island green, the vertical drop is almost as great as the horizontal distance on the score card.

Traditionalists and harder souls will soon be braving the more unpredictable elements of Ireland, where preparations have already begun for the Ryder Cup matches of 2005, which are to be played at the prestigious K-Club, south of Dublin.

found it easy to get on some of the best courses. Avoid Sunday afternoons, however, when French families often head out for a leisurely round after lunch.

Ireland is best known for its tough and world-renowned links courses such as Ballyunion, (where US President Bill Clinton's opening drive sliced almost into the local graveyard last year), as well as Lahinch, Waterville and Portmarnock.

More recently, Ireland has developed some well-designed parkland courses such as Druids Glen, Mount Juliet (designed by Jack Nicklaus) and Luttrellstown Castle. Located about 15 minutes' drive from Dublin at Castletown, Luttrellstown plays across 560 acres and adjoins a beautifully restored castle dating back to 1436, which can be hired for corporate groups and events.

Most spectacular of the newer courses on the Emerald Isle is the Old Head of Kinsale. Built on a 220-acre promontory jutting out into the Atlantic Ocean, nine of the 18 holes are played along cliff tops.

Skiing

Go on the piste in New Jersey...

... and you can even take your après-ski pleasures in Manhattan, says Todd Shapera

Not even a dreamer could imagine that skiing in New Jersey would ever resemble the Alps or the Rockies. But what if you are stuck in Manhattan's canyons far from ski country? A light snow is falling. You would give anything to rip off your tie, or kick off your high heels, for a few turns on the piste.

You think there is no way out. Think again. Vancouver-based Intrawest, North America's elite ski resort company, has taken on New Jersey, only 47 miles from Manhattan. Intrawest's portfolio of 11 mountains includes the jewel, Whistler/Blackcomb in British Columbia. It also transformed Mount Tremblant in Quebec, building a sparkling, \$500m base village.

The company raised a few eyebrows on news last year that it had rescued the former Vernon Valley/Great Gorge resort in New Jersey from bankruptcy. Then it fashioned a \$20m Marshall Plan of sorts, and rechristened the place Mountain Creek.

Over the summer, out went 13 creaky lifts. Up went four new quad chairs and an eight-passenger, open-air gondola. A base lodge was gutted and reno-

vated. New trails were added. Existing trails and terrain parks were reconfigured. And, critical for this fair-weather region, the slopes were lined with a state-of-the-art snowmaking arsenal. It has become a glided molehill.

Intrigued, I set out to sample the night skiing recently, on one of the season's few wintry days. Schools were closed because of snow and sleet. Airports were reporting three-hour flight delays. The roads were treacherous; several cars had spun into ditches. Temperatures dropped to minus double digits Celsius. For local skiing, it seemed like mid-winter nirvana.

By my early evening arrival, I found the area decked out with a necklace of lights illuminating a trail network three miles wide.

From the ticket booth, I set out to try the new Cabriolet - an open-air, sawn-off gondola, that requires skiers to stand as if in a tram. It carries eight skiers to the top in four minutes, a vast improvement on the 14-minute, two-person chair it replaced. On this visit, freezing rain played havoc with the lift's grips, forcing a slow trip.

From the top, the vertical drop of 1,000ft was respect-

Intrawest invested \$8m in a massive, cutting-edge snowmaking arsenal to impress skiers

able for an urban ski area. The terrain featured dips and bumps that encourage turning, rather than high speed, flat highways found on many small hills. And there were delightful craters, with narrow curves. Of note were five illuminated runs on Bear Peak where high-school racers train. Even if the black dis-

soft, even powdery, which was especially remarkable given recent cycles mixing rain, snow and sleet.

It's not as if Intrawest expected to find a winter wonderland in New Jersey. Last season, only 90in of snow fell on the mountain. Even in good seasons, there may be only 80in. Playing further havoc are numerous freeze-thaw cycles. Intrawest hoped to overcome nature with an \$8m snow-making arsenal; it is cutting-edge and massive.

In preparation, over the summer, oilfield workers from Montana laid 28 miles of pipe along the trails. At 18 inches in diameter, it is double the capacity normally used in snow-making. Then they attached 714 computer-controlled towers with snow-making nozzles and spaced them every 75ft apart; most resorts feel 250ft intervals provide sufficient coverage.

Overall, up to 14,000 gallons of water can race through the system in a minute, almost double the capacity of leading New England resorts such as Killington. And the technology mixes pressurised water and air to shoot out fluffy snow at a balmy 26°F; most systems require it to be far colder to operate optimally.

The upgrades, especially the snowmaking, have impressed skiers Kathy and Scott Miller. In their mid-40s, they live 30 minutes away and have skied the mountain for more than a decade. "It rained on Saturday and we had powdery slopes on Monday," Kathy told me.

Even so, how heartless the heavens have been this season. In the first month of operation, since opening on Christmas Eve, resort representative Sally Johnston said Mountain Creek had received a paltry 10in of snow in three storms. Worse, the mountain had been pelted with ice and rain from storms. Into the second month, it had rained some more. The wet cycles had seemed timed to the weekend, keeping away thousands of skiers.

In spite of the soggy start, Robin Smith, Mountain Creek president, said Intrawest's \$20m in upgrades (after about \$20m to purchase the resort) were only the opening salvo. On the drawing board is a village and condominium development of Tremblant proportions. There are even plans for 1,000 condo units on top of the mountain.

As for the weather, perhaps the marketing people

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SPAIN



As it polishes up its cosmopolitan panache, Valencia's traditional charms remain in place. This is a city for discerning visitors; it is not a superficial one-day wonder

Tony Stone Images

City Break/Valencia

The old lady puts on a new outfit

Four vast tourist projects are bringing excitement to the city, says Antony Thorncroft

Valencia is known as a discreet place, happy with its relaxed lifestyle and not too concerned that the world passes it by. But Spain's third city is changing. Stung by Barcelona's Olympics and Seville's Expo, by Bilbao's popular new museum and Madrid's smart opera house, Valencia is asserting itself.

It is currently the most imaginative building site in Spain, if not Europe. By the millennium it will be ready to startle and to entertain; already it offers much more than adjacent beaches, sunshine and peels.

The centrepiece of Valencia's new-found *chautpah* is the City of Arts and Sciences, a string of four great tourist attractions, stretching over 2km and strategically placed on the wide river bed of the Turia, which was long ago diverted and drained.

The Turia once circled the old city centre of Valencia but for decades it has been given over to gardens, fountains and football pitches. Now, in a once neglected

part of town, it is brimming again with water, pumped in and bright blue this time rather than sludgy brown, which laps around a complex devoted to the arts. The city has three auditoria, with one seating 2,500 and another, given over to science, designed as a museum of the sensations. It also has Europe's largest aquatic park and, already completed, *L'Hemisferic*, a vast Omnimax concave wide-screen cinema which doubles as a planetarium and laser show.

Designed by architect Santiago Calatrava as a giant eye, it shows how modern materials and imaginative design can work in an environment where the skies are blue and the light brilliant. Naturally, the eye blinks, its sides opening and closing in 20 minutes. It is proving a great success and when the complex is complete at least 3m visitors a year are expected to flock to this "city within a city", carefully located between the heart of Valencia and its beaches.

While one of the largest construction projects in Europe races ahead, all paid for by the provincial government, the rest of Valencia looks after business. The soul of the city is best revealed in its market, the largest and certainly the most colourful in Spain. Under an art deco canopy, the richness of the region's soil and seas explodes in colour, profusion and variety.

Opposite the market is an older example of Valencian trading acumen, the confidently spacious late-15th century Gothic of the Lonja, a cathedral given over to Mammon, with barley sugar columns supporting a vast vaulted roof. Built as a commodity exchange when Valencia was the financial and cultural hub of the Mediterranean, it is still home to traders - in stamps, coins and collectables.

Close by is another historic market, a small circular space like a cockpit, where dealers in haberdashery and ceramics confront each other from 19th century

stalls, for all the world looking like caricatures from a Goya watercolour. On Sundays the whole area becomes a bazaar, offering everything from canaries to designer clothes, from leather goods to religious mementoes.

The facelift of this sleepy city is almost complete

Here you are on the edge of the old city, a maze of 16th century palaces and slums, which link the cathedral to the river. A few years ago these narrow alleys would have looked threatening, and with reason. Now, they are given over to new bars and restaurants and to the apartments of the aspiring middle classes. At

the moment the old city totters between picturesque seediness and sedate repair as it undergoes this essential facelift.

Reconstruction is transforming the eclectic cathedral - a mix of Gothic, Romanesque and Baroque - into a cleaned and gilded art treasure. Elsewhere, the face-lift of this sleepy city is almost complete, notably across the non-existent river. You pass through the towers of Serranos, a gatehouse built in the 14th century and also recently smartened up; watch the footballers in the dusty river bed and arrive at the Museo de Bellas Artes.

For years this old monastery slumbered. Now it has been beautifully restored as Spain's second art gallery (after the Prado) with a lapis lazuli domed roof which sheds a blue glow over the central exhibition space. Some galleries are ultra modern; others complement the retained cloister. The museum holds works by Goya and Velázquez, but perhaps more interesting is the earlier

art, the monumental altars ransacked from the city's many desecrated religious buildings in the 19th century and now safely gathered here.

Between the old and the ultra modern there is another Valencia, which is increasingly picturesque. This is the result of the rebuilding of the city in the late 19th century, when ornate palaces to commerce were constructed by architects with more imagination than sense.

All around the Plaza del Ayuntamiento, the main square, are bizarre constructions built in a kind of Baroque modernism, totally at odds with urbane refinement or good taste. Perhaps the ultimate of these frivolities is the main station, both modernist and Moorish, its exterior decorated with colourful ceramic tiles praising the fertility of the region.

The living is comfortable in Valencia. The numerous small bars offer some of the best tapas in Spain; the restaurants still

supply three good courses for 55 or, in the case of Canyar, the very best local fish in the town centre in a 520 banquet. Transport is cheap, the sun invariably shines and there is always an alley or a courtyard or a garden that needs exploring.

And if you do tire of the city, just to the east, a 10-minute ride away, are the beaches of las Arenas and la Malvarrosa, with white sand, beach bars and a newly restored promenade. Anyone seeking something a little less blatant can dip southwards to Albufera, a lagoon famous for its sunsets and wildlife.

In the past, Valencia was claustrophobic, hot and inward looking. Now it is attempting to emulate Barcelona as a modern city, with its Norman Foster-designed conference centre and a new glass concert hall, as well as the City of Arts and Sciences. But, as it polishes up its cosmopolitan panache, Valencia's traditional charms remain in place. This is a city for discerning visitors; it is not a superficial one-day wonder.

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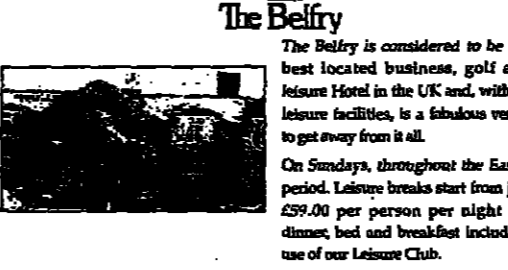
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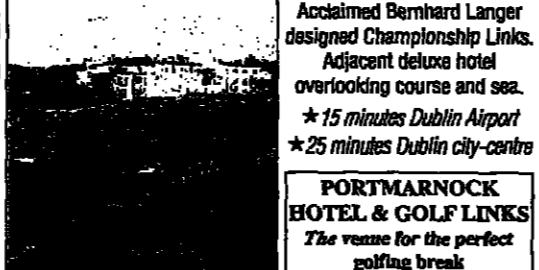


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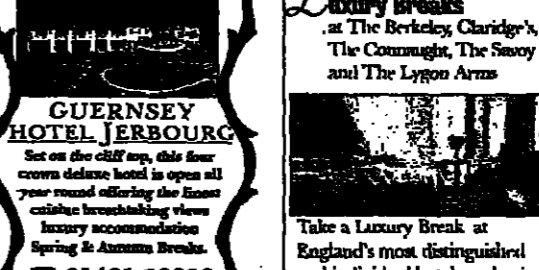
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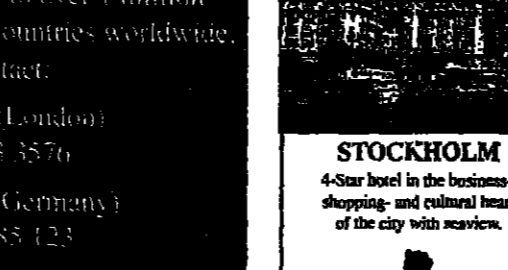
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